



## **Audit and Risk Management Committee (Late Supplementary Agenda)**

**Date:** MONDAY, 4 NOVEMBER 2024  
**Time:** 11.00 am  
**Venue:** COMMITTEE ROOMS, GUILDHALL

**12. 2023-24 CITY'S ESTATE FINANCIAL STATEMENTS**

Report of the Chamberlain.

**For Decision**  
(Pages 3 - 424)

**13. SUNDRY TRUSTS FINANCIAL STATEMENTS 2023-24**

Report of the Chamberlain.

**For Decision**  
(Pages 425 - 686)

**14. EXTERNAL AUDITOR'S ANNUAL REPORT 2023-24 - CITY FUND**

Report of the Chamberlain.

**For Information**  
(Pages 687 - 754)

**17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

- a) Treasury Management Outturn 2023/24  
Report of the Chamberlain.

**For Information**  
(Pages 755 - 762)

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## City of London Corporation Committee Report

<b>Committee(s):</b> Audit and Risk Management Committee – For decision Finance Committee – For decision	<b>Dated:</b> 04/11/2024 12/11/2024
<b>Subject:</b> 2023-24 City’s Estate Financial Statements	<b>Public</b>  For Decision
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	N/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Chamberlain	
<b>Report author:</b> Iain Jenkins, Chief Accountant	

### Summary

The Annual Report and Consolidated Financial Statements for City’s Estate, for the year ending 31 March 2024 are attached at Appendix 1 for approval.

In addition, the 9 Annual Reports and Financial Statements of the Open Spaces and Sundry Trust charities which are consolidated within the City’s Estate accounts (listed at paragraph 1 below) are attached at Appendix 2 for approval.

### Recommendation(s)

The **Audit and Risk Management** Committee is requested to:

- **Consider** the contents of the City’s Estate Initial Audit Findings Report 2023-24 issued by Crowe LLP as set out in Appendix 3; and
- **Recommend** approval of the 2023-24 City’s Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2024 to Finance Committee.

The **Finance Committee** is requested to:

- **Consider** the contents of the Draft City’s Estate Initial Audit Findings Report 2023-24 issued by Crowe LLP as set out in Appendix 3; and

- **Consider** the resolution from the Audit and Risk Management Committee and **approve** the 2023-24 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2024, to be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council;
- **Authorise the Chamberlain**, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve and material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP – which is expected by the end of November 2024 for City's Cash consolidated financial statements, and for the consolidated charities.

## Main Report

### Background

1. The Annual Reports and Financial Statements for each of the consolidated charities for the same period are attached at Appendix 2 for approval. The 9 charity financial statements are listed below with their charity numbers, and are made up of the Open Spaces and other consolidated sundry trusts:
  - i. Ashtead Common (registered charity no. 1051510)
  - ii. Highgate Wood and Queen's Park Kilburn (registered charity no. 232986)
  - iii. West Ham Park (registered charity no. 206948)
  - iv. Hampstead Heath Charity (registered charity no. 803392), incorporating the linked charity the Hampstead Heath Trust Fund (registered charity no. 803392- 1)
  - v. Sir Thomas Gresham Charity (registered charity no. 221982)
  - vi. Keats House (registered charity no. 1053381)
  - vii. Burnham Beeches and Stoke Common (registered charity no. 232987)
  - viii. Epping Forest (registered charity no. 232990)
  - ix. West Wickham Common and Spring Park Wood (registered charity no. 232988) & Coulsdon and Other Commons (registered charity no. 232989)
2. It should be noted that the accounts shown at Appendix 1 (City's Estate), Appendix 2b (Highgate Wood and Queen's Park), Appendix 2c (West Ham Park), Appendix 2d (Hampstead Heath), Appendix 2g (Burnham Beeches) and Appendix 2h (Epping Forest) are the draft accounts submitted to the auditors, and do not include any of the audit adjustments set out in this report. The other appendices show the final accounts.
3. The accounts for West Wickham and Coulsdon Commons have not been attached as agreement is awaited from the Charity Committee to confirm that these two charities can be linked. This has no material impact on the City's Estate accounts. These are two small separately registered charities that that have been accounted for together for a number of years. To date no issues with non-compliance have been raised by the Charity Commission and we have applied to



them for approval to prepare linked accounts to resolve the non-compliance. Until it is known whether we can prepare one linked account or need to prepare two separate accounts we cannot present the accounts or complete the audit(s).

4. Members will be aware that in order to comply with the covenants in the private placement Note Purchase Agreement, the audited City's Estate consolidated financial statements along with an opinion that states that such financial statements give a true and fair view of the financial position of City's Estate, must be submitted to the private placement lenders as soon as they become available but in any event within 270 days after the end of each financial year (i.e. by 26 December).
5. The 9 sets of charity financial statements must be submitted to the Charity Commission within 10 months of their financial year end, i.e. by 31 January 2024. The financial statements for Barking Power and Thames Power, which are consolidated within the City Estate accounts, must be submitted to Companies House within 9 months of their financial year end, i.e. by 31 December 2024.
6. The overall movement on the City Fund balance sheet is a decrease in net assets of -£54.3m. This movement is comprised of the following items:
  - Decrease in Investment Properties of -£41.9m
  - Decrease in Short Term non-property Investments of -£58.7m
  - Decrease in Cash and Cash Equivalents of -£13.2m
  - Increase in Provisions of +£26.5m
  - Movement in Deferred Income of -£16.0m
  - Movement in Defined benefit pension scheme liability of +£42.6m
  - Other movements of +£6.4m

### Current Position and Audit Findings Report

7. The external auditors of the City's Estate, Crowe UK LLP, have provided a draft initial audit findings report reflecting progress and outstanding items as at the time of writing. This is presented at Appendix 3. An update will be provided at the Audit and Risk Management Committee on further progress made, highlighting any further issues identified outside those included in the audit finding report. Representatives from Crowe UK LLP will attend the Audit and Risk Management Committee to present their report and to clarify any points or issues.
8. To date, the following audit adjustments have been identified on the City's Estate accounts. These are not reflected in the draft accounts shown at Appendix 1 but will be incorporated into the accounts prior to sign-off.

Adjustment description	Increase / (decrease) in net income £k	Increase / (decrease) in assets £k	Increase / (decrease) in liabilities £k	Increase / (decrease) in funds £k
<b>City's Estate adjustments</b>				
Prior year audit adjustment to reclassify credit balances within rental debtors Dr Creditors Cr Debtors		(1,483)	(1,483)	

Overpayment sitting within debtors as a negative balance Dr Debtors Cr Creditors		2,880	2,880	
Reclassification of negative balances within trade creditors Dr Debtors Cr Creditors		660	660	
School fee in advance, classified as negative debtors Dr Debtors Cr Creditors		720	720	
Correction of historic deposit and fees in advance balances Dr Creditors Cr Income			(640)	640
Elimination of recharge amounts for Markets income Dr Markets Income Cr Markets Income Cr Management & Admin expenditure	(796) 747 49			
<b>Barking Power adjustments</b>				
Invoice paid in March which relates to Apr 24- June 24 licences Dr Debtors Cr Cash		6 (6)		
<b>Thames Power adjustments</b>				
Audit amount overstated in expenditure listing Dr Creditor Cr Expenditure			(12)	12
<b>Epping Forrest adjustments</b>				
Correction of amount in Cashiers suspense account within City's Estate which relates to Epping Forrest Dr Creditor Cr Income			(274)	274

9. The Audit Findings Report also includes Crowe's audit recommendations. It should be noted these include recommendations which have been rolled over from the previous year's audit. As the 2022-23 audit was only concluded in March 2024 there has not been sufficient time to clear these recommendations prior to producing the 2023-24 accounts. As these recommendations have been rolled over from the previous year they will be presented as red recommendations in the auditor's report.

10. It should be noted that issues identified in the 22-23 audit relating to the consolidation process have not occurred this year which has enabled the audit to progress along expected timeframes with final sign off expected at the end of November.

## **Corporate & Strategic Implications**

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications – None

Equalities implications – None

Climate implications - None

Security implications - None

## **Approval of the financial statements**

11. It is recommended that the Finance Committee approve the City's Estate Financial Statements for the 2023-24 financial year, along with the financial statements of the 9 consolidated charities, taking account of any observations from the Audit and Risk Management Committee on 4 November 2024. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2024, is signed by Crowe UK LLP for both the City's Estate consolidated financial statements and the consolidated charities.

## **Appendices**

- Appendix 1 – City's Estate Annual Report and Financial Statements 2023-24
- Appendix 2a – Ashted Common 2023-24
- Appendix 2b – Highgate Wood and Queen's Park Kilburn 2023-24
- Appendix 2c – West Ham Park 2023-24
- Appendix 2d – Hampstead Heath Charity incorporating Hampstead Heath Trust Fund 2023-24
- Appendix 2e – Sir Thomas Gresham Charity 2023-24
- Appendix 2f – Keats House 2023-24
- Appendix 2g – Burnham Beeches and Stoke Common 2023-24
- Appendix 2h – Epping Forest 2023-24
- Appendix 3 – City's Estate Audit Findings Report 2023-24

**Iain Jenkins**  
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**CITY'S ESTATE** (formerly City's Cash)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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# Annual Report



## 1. Introduction

The City is a key driver of the economy, generating over

**£97bn**

in economic output annually, or 4% of all UK GVA. Yet, the City only accounts for 0.001% of the UK's size.



City's Estate (formerly known as City's Cash) is not a legal entity; it is a fund of the City of London Corporation (the City Corporation) that can be traced back to the 15<sup>th</sup> century and has built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a return that:

- Enables the City Corporation to provide services (detailed in section 6) that are of importance to the City and Greater London as well as nationally and internationally.
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

On 7<sup>th</sup> December 2023, the Court of Common Council, the primary decision-making body of the City Corporation granted to rename 'City's Cash' to 'City's Estate'. No further changes were made.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council. The City Corporation publishes the City's Estate Annual Report and Financial Statements and a City's Estate Overview every year to provide further transparency on its activities.

## 2. Administrative Details

Registered Address	Guildhall, London, EC2P 2EJ
Chief Executive	The Town Clerk of the City of London
Treasurer	The Chamberlain of London
Solicitor	The Comptroller and City Solicitor
Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW
Bank	Lloyds Bank PLC
Fund Managers	<p>Ares Management LLC</p> <p>Artemis Investment Management LLP</p> <p>Baillie Gifford &amp; Co</p> <p>C WorldWide Fund Management SA</p> <p>Coller International Partners VII LP</p> <p>Crestview Partners LLC</p> <p>CQS</p> <p>Environmental Technologies Fund Manager LLP</p> <p>Exponent Private Equity LLP</p> <p>Frontier Capital</p> <p>IFM Global Infrastructure (UK) LP</p> <p>Lindsell Train Ltd</p> <p>M&amp;G Investment Management Ltd</p> <p>LionTrust Ltd</p> <p>Natixis International Funds (Harris Associates)</p> <p>New Mountain Capital LLC</p> <p>Pyrford International PLC</p> <p>Ruffer LLP</p> <p>SL Capital Partners LLP (a subsidiary of Aberdeen Standard Life Investments group)</p> <p>Veritas Asset Management LLP</p> <p>Warburg Pincus LLC</p> <p>Wellington Management International</p>



## 2. Other City of London Corporation Funds

This annual report and the financial statements only cover City's Estate. A second fund, City Fund, covers the City's activities as a local authority, police authority and port health authority. Its financial statements are published separately.

The City Corporation is also the sole trustee of City Bridge Foundation (CBF) (formerly Bridge House Estates), a long-standing charity which maintained the original London Bridge, funded by bridge taxes, rents and private bequests. CBF now maintains five bridges, Tower, London, Southwark, Millennium and Blackfriars. With effective management of the funds over the centuries, CBF's funding arm, City Bridge Trust, now distributes surplus income that is not required for the long-term management and protection of the five bridges.

The annual report and financial statements for CBF are also published separately.

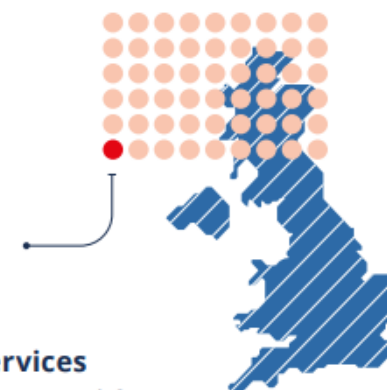
The annual report and financial statements of City Fund and City Bridge Foundation are available on the City of London Corporation's website at <https://www.cityoflondon.gov.uk/about-us/budgets-spending>.

There were

# 615,000

workers in the City of London in 2022, or **1 in every 52 British workers.**

**Financial and professional services** account for **over half** of the City's workforce.



### 3. Corporate Strategy

A new five-year City of London Corporation [Corporate Plan 2024-29](#) started in April 2024. It informs effective use of our resources and guides planning and decision-making for the City of London Corporation from 2024 to 2029 through six strategic outcomes, ensuring everything we do aligns to our mission to be world-class. Our People Strategy 2024-29 sits alongside the Corporate Plan.

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The six Corporate Plan outcomes are of equal importance, reflecting the vast portfolios covered by the City of London Corporation. They are interlinked and delivered through activities across the organisation and in partnership with our stakeholders. We will strive for equity, equality, diversity and inclusion to ensure impactful delivery.

The City of London Corporation is responsible for many sector, department and subject specific strategies, programmes and plans. The Corporate Plan 2024-29 lists existing strategies, strategies in development and major programmes and plans that contain metrics key to measuring and monitoring performance in the City of London Corporate Plan 2024 to 2029. These include:

- Air Quality Strategy 2019-2024
- City of London Joint Health and Wellbeing Strategy 2024-2027
- City Plan 2040
- Climate Action Strategy 2020-2027
- Competitiveness Strategy 2021-2025
- Digital, Data and Technology Strategy 2024-2029
- Education, Skills and Cultural & Creative Learning Strategies 2019-2024
- Equality Objectives 2024-2029
- Policing Plan 2025-2028
- Safer City Partnership 2022-2025
- Social Mobility Strategy 2018-2028
- Transport Strategy 2024-2044

[Corporate Plan 2018-23](#) remained in effect until the end of March 2024. It had three aims: to contribute to a flourishing society, support a thriving economy and shape outstanding environments.

#### 4. Governance Arrangements

##### Workforce

The City Corporation as a whole employs approximately 4,200 people in full and part-time positions across all its services. The make-up of the workforce is summarised below:

**Gender:**  
Male: 49.0%  
Female: 51.0%

**Declared disability:**  
Yes: 4.22%

**Age:**  
Under 20: 1.17%  
21-30: 16.45%  
31-40: 23.16%  
41-50: 23.97%  
51-60: 26.04%  
61 and over: 9.21%

**Ethnicity:**  
White: 61.94%  
Black: 7.45%  
Asian: 7.12%  
Mixed: 2.87%  
Other: 2.58%  
Not known: 18.04%



##### Equality, diversity and inclusion

The City Corporation aims to drive forward Equity, Equality, Diversity and Inclusion (EEDI) at all levels of the organisation. There is much ground to cover to achieve the desired corporate position and outcomes on EEDI. To progress

this, the EDI Sub Committee have agreed four immediate core priorities. These are:

- Supporting the EDI team,
- Ensuring compliance with EEDI duties and commitments,
- Prioritising delivery of political EEDI commitments
- Scoping and agreeing the terms of reference for an EEDI review.

The EDI Sub-Committee, led by elected Members, strengthens the EEDI governance structure and sets the strategic direction for EEDI. The City of London Corporation's Equality Objectives 2024 to 2029, the Equalities Information Report and the Gender Pay Gap report were all published in March 2024, meeting statutory requirements of the Equality Act 2010 Public Sector Equality Duty (PSED).

The Equality information report 2023 is available here:

<https://www.cityoflondon.gov.uk/assets/about-us/plans-and-policies/equality-information-report-2023.pdf>

The pay gap report, that additionally voluntarily covers ethnicity, can be found

here: <https://www.cityoflondon.gov.uk/about-us/plans-policies/equality->

[Conclusion](#)

The City of London Corporation Equality Objectives are:

- Inclusive and Trustworthy leadership
- Inclusive and Diverse Community
- Accessible and Excellent Services
- Socio-economic Diversity

The City Corporation is a signatory of several charters and accreditations including Women in Finance, Stonewall, Disability Confident Employer, London Living Wage and the Social Mobility Employer Index. The City Corporation ranked at 87 in the Social Mobility Employer Index in October 2023. The City is building on the feedback provided and lessons learnt from this benchmarking exercise and are implementing actions to improve and enhance social mobility.

A new Social Mobility Staff Network was launched in June 2024, joining the City Corporation's other 7 staff networks: Disability and Wellbeing Network (DAWN),

City of London Ethnicity and Race Network (CLEAR), City Pride (LGBTQ+), Multi Faith Network, Women's Inclusive Network, Carers and Parents' Network, and Young Employees Network (YEN). Two new staff groups, Informal Armed Forces Staff Network launched in January 2024, and Climate Champions launched in February 2024, help inform policies and support staff from these groups. Departmental Equality Representatives meet regularly, and departmental Dignity at Work Advisers provide support to staff and aid the organisation in being an employer of choice.

The City Corporation's budgets are managed by committees of the City Corporation, with membership of the committees drawn from the 25 Members of the Court of Aldermen and the 100 Members of the Court of Common Council. Members of the Court of Aldermen and Court of Common Council are elected by registered voters (both residents and businesses) within the City of London. In accordance with the Nolan Principles, Members uphold the City Corporation's obligations under the Equality Act 2010 by promoting equality and not discriminating unlawfully against any person on the grounds of race, gender, disability, religion or belief, sexual orientation or age. In addition to the 125 Members who make up the Court of Common Council and Court of Aldermen, there are 180 external Members who sit on the City Corporation's committees. These individuals help increase the skill sets and experience during the decision-making process.

The decision-making processes and financial stewardship of the City of London Corporation are set out in Standing Orders and Financial Regulations respectively.

The Standing Orders are available at:

<https://democracy.cityoflondon.gov.uk/ecSDDisplay.aspx?NAME=Standing%20Orders&ID=645&RPID=0> and the Financial Regulations are available at: <https://democracy.cityoflondon.gov.uk/documents/s186795/APPENDIX%20B%20-%20Financial%20Regulations.pdf>.

Details of our committees are available at

<https://democracy.cityoflondon.gov.uk/mgListCommittees.aspx?bcr=1>.

Our risk management processes help us identify and manage the risks to the organisation. The Audit and Risk Management Committee monitors and oversees



the City of London Corporation's risk management strategy and that its risk assurance framework is robust and effective. At an officer level, the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board, meets at least once every two months to review the management of corporate and top red departmental risks, discuss developing risk areas and consider wider aspects of risk management within the City Corporation such as its overarching risk management culture. A new Risk Management Strategy 2024-2029 has been agreed and starting to implement this will be a key focus for future years, including updating the risk management policy and dovetailing this work with the Corporate Plan 2024-2029 outcomes and the review into risk appetite completed this year.

The Audit and Risk Management Committee also oversees the City Corporations' Internal Audit process, reviewing the findings of completed Audit work. The Internal Audit programme of work includes the systematic follow-up in respect of audit recommendations made; reporting on the effectiveness and timeliness of their implementation, and the impact this has on the mitigation of risks identified through Internal Audit reviews.

## Activities of City's Estate

Investment funds allow the City Corporation to provide services that:

- Are of national benefit through its strategic aim to support and promote the City as the world leader in international financial and professional services.
- Are of importance to Greater London and its environs as well as to the City itself, for example: work in surrounding boroughs supporting education, training and employment opportunities; numerous green spaces; wholesale markets providing fish (Billingsgate) and meat (Smithfield); 4 independent schools; sponsoring Academies across London; and the Guildhall School of Music & Drama (GSMD).

## Education

*Expenditure £123.9m, income £103.6m, net expenditure £20.3m (2022/23: expenditure £109.7m, income £96.7m, net expenditure £13.0m)*

City's Estate operates four fee paying schools – City of London School, City of London School for Girls, City Junior School (all in the Square Mile), and the City of London Freeman's School (in Surrey). They regularly feature among the UK's top performing schools. In each of these institutions, City's Estate provides academic bursaries, including matched funding for monies raised externally by the schools, to support able students from disadvantaged backgrounds.



The Guildhall School of Music & Drama is owned and managed by the City Corporation with funding from City's Estate. It is an internationally renowned conservatoire; based in the Barbican, it has over 900 students in higher education, drawn from nearly 60 countries around the world, and is currently regulated by the Office for Students (OfS), in line with other higher education institutions.

The City Corporation's Education Board is responsible for reviewing the Education Strategy and making recommendations to committees and the Court of Common Council (the City Corporation's main decision-making body) as appropriate on the delivery of the City Corporation's vision and strategic objectives in this area. The Board has responsibility for distributing funds allocated to it for educational purposes. In addition, it is responsible for the City Corporation's role as an Academy school sponsor.

## Markets

*Expenditure £103.6m, income £14.1m, net expenditure £89.5m (2022/23: expenditure £47.3m, income £12.3m, net expenditure £35.0m)*

The City Corporation runs three wholesale food markets, two of which – Billingsgate and Smithfield – are funded by City's Estate, with New Spitalfields Market being accounted for in the City Fund. Market tenants pay rent and service charges, which are calculated on a commercial basis. These charges cover the costs of operation, administration and those repairs which are attributable to the tenants. At Billingsgate, buyers can choose from the largest selection of fish in the UK and the market has an annual throughput of more than 22,000 tonnes. Meat has been bought and sold at Smithfield for over 800 years with around 150,000 tonnes of meat passing through its magnificent Grade II\* listed surroundings each year. New Spitalfields Market is the largest horticultural market in the country, with a throughput of circa 850,000 tonnes of produce per annum.

**P** Strategic Review of the City's three  
**S** wholesale markets began in 2018, and in  
**R** 2022 the City Corporation approved the  
**O** business case to move the three  
**S** wholesale markets from their current  
locations to a single new site in Barking  
and Dagenham, further work is being  
carried out regarding the movement of  
New Spitalfields Market.



## Open Spaces (Natural Environment)

*Expenditure £25.9m, income £7.8m, net expenditure £18.1m (2022/23: expenditure £24.3m, income £8.1m, net expenditure £16.2m)*

The City Corporation is Trustee of 8 charities which manage and run open spaces across 11 London Boroughs and four District Councils. These charities, which include Hampstead Heath, Epping Forest, Highgate Wood and Queens Park

Kilburn, West Ham Park and Burnham Beeches, help shape outstanding environments by managing approximately 11,000 acres of historic, ecologically diverse open space. Every year millions of people visit our open spaces. Some of the sites have been owned and managed since as far back as 1870 and, through its role as Trustee and principal funder of each charity, the City Corporation continues to enhance, protect and conserve these assets. All of the asset and activities of these charities are consolidated within the City's Estate accounts by virtue of this relationship between each charity and the City Corporation as Trustee.

The open spaces contribute to a sustainable London, providing environmental benefits through their effects on negating urban heat, offsetting greenhouse gas emissions and mitigating storm water damage. The charities manage areas which include internationally recognised Sites of Special Scientific Interest, Special Areas of Conservation and National Nature Reserves. They provide important ecosystems and wildlife habitats including rare and endangered species. The open spaces help people to enjoy good health and well-being enabling people to access nature, interact socially, relax or take part in a wide range of physical activities from swimming to football, golf to horse riding.

Within these charities there are outstanding heritage spaces and buildings, such as Kenley Airfield and the Pergola on Hampstead Heath, for people to experience and enjoy. Keats House is also a charity of which the City Corporation is Trustee (included within these accounts in full through its relationship with the City Corporation) and other assets like The Monument are managed by the City Corporation directly and funded through City's Estate. These assets showcase the nation's history and culture. Ancient woodlands, ponds and historic landscapes enable visitors to learn, discover and understand the value of our heritage and the natural environment.



## City Representation

*Expenditure £18.9m, income £2.6m, net expenditure £16.3m (2022/23: expenditure £16.4m, income £1.2m, net expenditure £15.2m)*

This expenditure supports the City Corporation's core objective to promote UK-based financial services and related professional services at home and abroad. The Rt Hon Lord Mayor heads the City of London Corporation and is also an international ambassador for the UK's financial and professional services sector. Together with other leading members of the City Corporation he makes sure that the City's interests are reflected in local and national policy. The Lord Mayor's overseas visits programme, that usually amounts to around 90 days abroad each year, fosters trade and develops relationships at the highest levels of government and industry.

Mansion House is the official residence of the Lord Mayor as the head of the City Corporation and the base for Mayoral activities. City's Estate funds official receptions, banquets, meetings and general hospitality carried out by the City Corporation (as well as the overall running costs of Mansion House and the team based there).



Other important responsibilities include support for the City Corporation's many and varied civic activities, maintaining the Mayoralty's close ties with livery companies and supporting responsible business and charitable organisations. The Lord Mayor is supported by two Sheriffs who are elected each year by the City Livery Companies. They advise the Lord Mayor on matters important to the City, help with hosting visiting dignitaries and occasionally travel with the Lord Mayor on his business visits. They also look after the Judges at the Old Bailey and make sure that the court's business runs smoothly.

The Remembrancer is one of the City Corporation's four Law Officers and is responsible for the maintenance and protection of the City's constitution. He is

the City's Parliamentary Agent, the Parliamentary Agent for The Honourable The Irish Society and the City Corporation's Chief of Protocol. The Office acts as a channel of communication between Parliament and the City. In the contemporary context, this means day to day examination of Parliamentary business including examination of and briefing on proposed legislation and amendments to it, regular liaison with the Select Committees of both Houses and contact with officials in Government departments dealing with Parliamentary Bills.

The Remembrancer's Office also organises much of the hospitality referred to above including responsibility for the Lord Mayor's Banquet and elements of the Lord Mayor's Show Day at Guildhall and the Royal Courts of Justice.

Commercial income is generated from event space lettings at the Mansion House and the Guildhall by the Town Clerk and the Remembrancer respectively.

## Innovation and Growth

*Expenditure £10.0m, income £0.7m, net expenditure £9.3m (2022/23: expenditure £7.9m, income £0.7m, net expenditure £7.2m)*

Innovation and Growth (IG) works to strengthen the UK's financial and professional services (FPS) creating jobs and growth right across the UK. Our programmes in this area support the recommendations in the corporation's Vision for Economic Growth Report and are aligned to the Competitiveness Strategy 2021-25. IG's second pillar is Destination City, which has a focus on the Square Mile to increase footfall and bring visitor spend back to pre-pandemic levels. IG's third pillar is to co-ordinate performance delivering the Climate Action Strategy (CAS). CAS delivers the Corporation's transition to net zero and creates climate resilience for the Square Mile and Corporation assets.

IG's work in FPS is to ensure that City firms have the best legal and regulatory framework, as well as access to global markets, maintaining the UK as the world's leading global hub for financial and professional services. Supported by overseas offices in the US, Brussels, China and India paid for by City's Estate, it engages with decision-makers in the UK and abroad to keep the UK innovative in technology, leaders in sustainable finance and open & global.

The Lord Mayor and Chair of the Policy and Resources Committee lead international business delegations and host high-level visits from international partners in politics and business to promote export opportunities for UK financial and professional services firms and attract inward investment from global partner. To further maximise its impact, the Innovation and Growth team helps City firms access talent and skills and promote an environment where new businesses and approaches can flourish. It also makes the case for responsible business among City firms and spreads best practice as good business benefits the whole UK economy.

On Destination City, IG works to increase footfall that encourages spend; creating a seven-day-a-week leisure destination for UK and international visitors, workers, and residents to enjoy.

On Climate Action, IG supports the Corporations' aim to be net zero in our operations by 2027, extending this out to our full value chain by 2040. By 2040 we will also increase climate resilience and support the achievement of net zero in the Square Mile.

#### Management and Administration

*Expenditure £12.6m, income £nil, net expenditure £12.6m (2022/23: expenditure £9.2m, income £nil, net expenditure £9.2m)*

These costs primarily relate to support provided to Members and both central and service departments including an apportionment of Guildhall Complex premises expenses; City's Estate external audit fees; treasury management; and depreciation charges in respect of the City's Estate share of capital projects relating to the Guildhall Complex, information systems and other corporate priorities.



#### Grants and Other Activities

*Expenditure £28.2m, income £1.0m, net expenditure £27.2m (2022/23: Expenditure £30.1m, income £0.7m, net expenditure £29.4m)*

A number of grants are made from City's Estate each year, through the Central Grants Programme, promoting initiatives across a wide range of charitable causes in London.

The Central Grants Programme has four City's Estate funding themes:

- Stronger Communities
- Enjoying Green Spaces and the Natural Environment
- Inspiring London through Culture
- Education and employment support

In addition, grants are made to emergency organisations to assist with the relief of national and international disasters. In 2023/24 two donations were made to the British Red Cross to support aid in Morocco and Libya following the earthquakes in those countries.

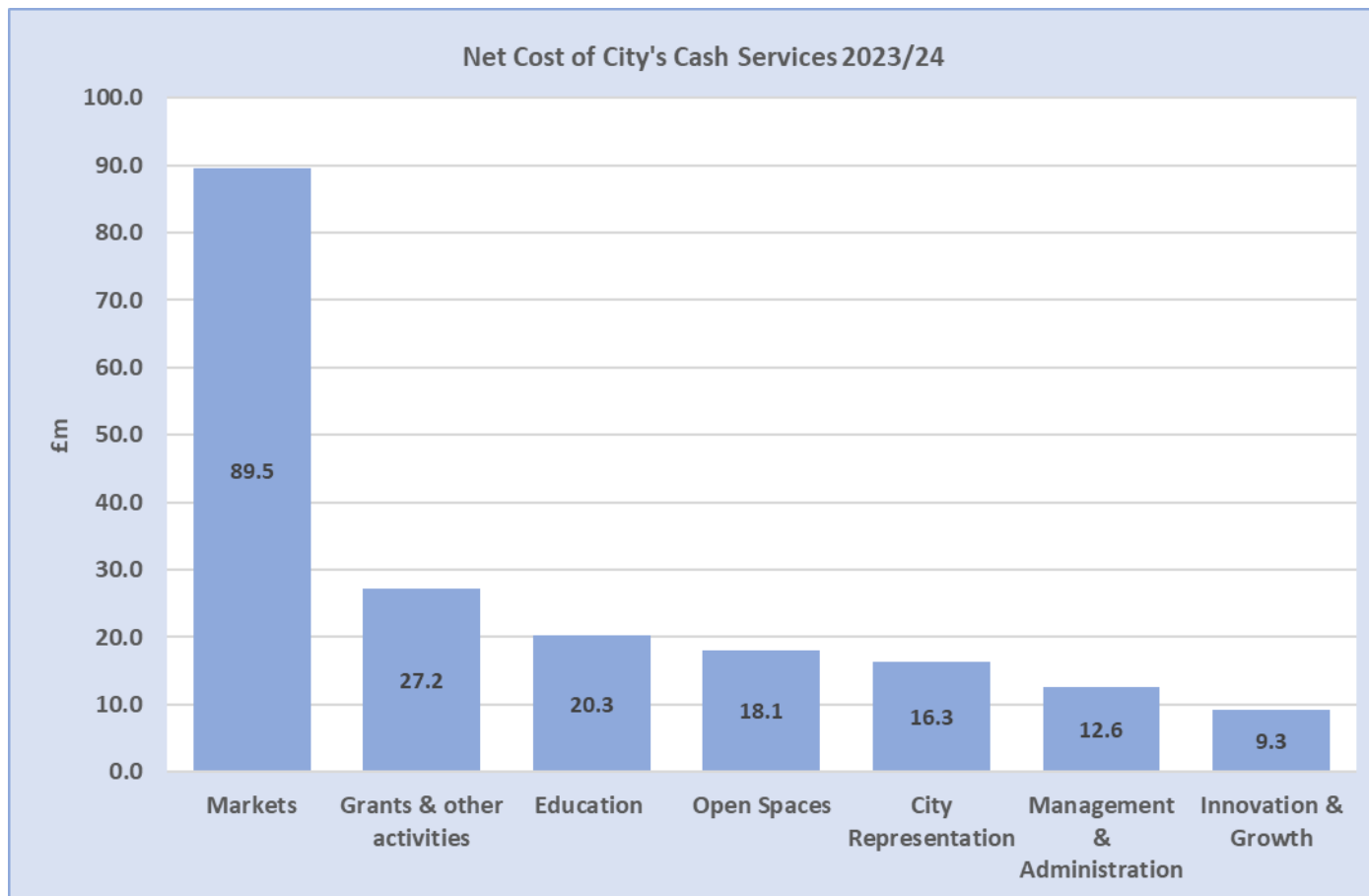
The City Corporation owns and maintains the Monument through City's Estate. This 202ft high building attracts over 200,000 visitors a year, braving its 311 steps to enjoy breath-taking views of the City and beyond. It was built between 1671 to 1677 and was designed by Sir Christopher Wren and Robert Hooke to commemorate the Great Fire of London in 1666.



### 6. Financial Review

The net cost of the services and activities funded by City's Estate in 2023/24 is shown opposite. The Consolidated Statement of Comprehensive Income shown on page 19 is summarised overleaf. This records an operating deficit of £94.2m (2022/23: operating surplus of £335.3m), which is £241.1m higher than the previous year and is comprised of a number of movements which are explained on page 12. After the operating deficit, the Statement records gains from the sale of fixed assets of £4.0m (2022/23: gain from the sale of fixed assets of £7.7m), loan financing costs of £10.5m (2022/23 £10.5m), a decrease in the deferred taxation liability against Barking Power Limited of £3.2m (2022/23: an increase of £9.8m) and an actuarial gain of £43.2m on defined benefit pension schemes (2022/23: an actuarial gain of £310.2m).

Overall, there was comprehensive expenditure of £54.3m for the year (2022/23: comprehensive expenditure of £18.1m).



	2024 Income	2024 (Expenditure)	2024 Net income / (expenditure)	2023 Income	2023 (Expenditure)	2023 Net income / (expenditure)
	£m	£m	£m	£m	£m	£m
<b>Service / activity</b>						
Education	103.6	(123.9)	(20.3)	96.7	(109.7)	(13.0)
Investments - property and managed funds	79.3	(33.0)	46.3	66.0	(36.9)	29.1
Markets	14.1	(103.6)	(89.5)	12.3	(47.3)	(35.0)
Open Spaces	7.8	(25.9)	(18.1)	8.1	(24.3)	(16.2)
City Representation	2.6	(18.9)	(16.3)	1.2	(16.4)	(15.2)
Innovation and Growth	0.7	(10.0)	(9.3)	0.7	(7.9)	(7.2)
Grants and other activities	1.0	(28.2)	(27.2)	0.7	(30.1)	(29.4)
Management and Administration	-	(12.6)	(12.6)	-	(9.2)	(9.2)
Net Pension Scheme Costs	-	(0.6)	(0.6)	-	(26.8)	(26.8)
<b>Operating deficit before gain / (loss) in fair value of investments*</b>	<b>209.1</b>	<b>(356.7)</b>	<b>(147.6)</b>	<b>185.7</b>	<b>(308.6)</b>	<b>(122.9)</b>
<b>Gain / (loss) in fair value of:</b>						
- property investments			(55.1)			(216.3)
- non-property investments			108.5			3.9
<b>Operating (deficit) / surplus *</b>			<b>(94.2)</b>			<b>(335.3)</b>
Profit on sale of fixed assets			4.0			7.7
Loan financing (costs)			(10.5)			(10.5)
<b>(Deficit) / surplus before taxation</b>			<b>(100.7)</b>			<b>(338.1)</b>
Taxation			-			-
Deferred taxation			3.2			9.8
<b>(Deficit) / surplus before taxation</b>			<b>(97.5)</b>			<b>(328.3)</b>
<b>Other comprehensive income</b>						
Actuarial gain on defined benefit pension schemes			43.2			310.2
<b>Total comprehensive (expenditure) / income</b>			<b>(54.3)</b>			<b>(18.1)</b>

\* Volatility in operating surplus or deficit for the financial year – FRS102 requires the gain or loss in fair value of property and non-property investments to be included in the Consolidated Statement of Comprehensive Income (page 19). This means that even relatively small movements in the markets from one year to the next can produce large volatility in the operating surplus or deficit in the Consolidated Statement of Comprehensive Income.

The movement in the operating position of £241.1m, from a deficit of £335.3m in 2022/23 to a reduced deficit of £94.2m in 2023/24, reflects a more favourable position than the prior year. The current year deficit is largely due to:

- The fair value from property investments reducing from a loss of £216.3m in 2022/23 to a loss of £55.1m in 2023/24. This reflects a movement of £161.2m. The fall in values across the property investment portfolio reflects the economic background of increasing interest rates and high inflation and for City's Estate the sale of stranded assets. As interest rates increased throughout the financial year, there was a sharp decrease in property investment transactional activity in the market. Property values have dropped as valuation yields increased. In addition, there was also a loss in the land value at Barking Power Station.
- Net expenditure on Markets increasing by £54.5m from £35.0m in 2022/23 to £89.5m primarily due to increased costs to facilitate the Markets Consolidation Programme.
- An increase in net expenditure on education of £7.3m from £13.0m in 2022/23 to £20.3m in 2023/24. The increase in expenditure is primarily related to building and premises repairs and maintenance. Higher energy costs have also contributed to the increased spend.
- Net expenditure on Management and Administration increasing by £3.4m from £9.2m in 2022/23 to £12.6m in 2023/24 primarily due to a review of central support recharges in year.
- Increases in net expenditure on Open Spaces of £1.9m from £16.2m in 2022/23 to £18.1m in 2023/24. The variance was largely attributable to reduced contributions from the Hampstead Heath Trust during 2023/24 due to reduced income from dividends as a result of a lower yield earned on UK equities compared with the previous year.

Partly offset by:

- Net income relating to investments increasing by £17.2m, from £29.1m in 2022/23 to £46.3m in 2023/24, due to higher rental receipts from the acquisitions of 2 new estates and a head lease purchase, as well as additional rental income following the completion of a redevelopment and the expiry of a number of rent-free periods.
- A significant gain in the fair value of non-property investments of £104.6m from £3.9m in 2022/23 to £108.5m in 2023/24. This is largely a result of global equity markets which witnessed a robust end to 2023, and this momentum continued into 2024 amid a resilient and generally solid economy, despite on-going geo-political tensions, and continued enthusiasm around Artificial Intelligence.
- Net pension scheme costs decreasing by £26.2m, from £26.8m in 2022/23 to £0.6m in 2023/24. This is due to a decrease in service costs, a reduction in losses on settlements and curtailments and an increased interest charge on scheme liabilities. This was slightly offset by an increase in employers' contributions and return on pension scheme assets.

After the operating deficit of £94.2m (2022/23: deficit of £335.3m) there was a profit on the disposal of fixed assets of £4.0m (2022/23: profit of £7.7m), a reduction of £3.7m on the previous year. In addition, there were loan financing costs of £10.5m (2022/23: £10.5m), which is unchanged compared to the previous year for ongoing interest repayments for the £450m loan the City Corporation has agreed in 2021/22 to support the funding of the major capital projects it is undertaking.

Following the decrease in deferred taxation of £3.2m (2022/23: increase of £9.8m) relating to Barking Power Limited due to a fall in the value of the power station land and an actuarial gain on defined benefit pension schemes of £43.2m (2022/23: a gain of £310.2m), City's Estate reserves have decreased overall by £54.3m (2022/23: decrease in reserves of £18.1m) from £2,827.3m to £2,773.0m.

### City of London Pension Scheme

The estimated share of the net liability in the City of London Pension Scheme is included in the City's Estate accounts. The City's Estate share of the deficit is 46% (2022/23: 46%) which equates to £23.0m at 31 March 2024 (£65.6m at 31 March 2023).

City's Estate does not have an exclusive relationship with the City of London Pension Fund and the proportion of the Pension Fund relating to City Corporation employee members engaged on City's Estate activities is not separately identifiable.

However, although the Pension Fund net deficit cannot be attributed precisely between the City Corporation's three main funds, an apportionment of that deficit and inclusion in the respective balance sheets presents a fairer view of the funds' financial positions than if the deficit were to continue to be excluded. Accordingly, an apportionment has been made which is based on employer's annual contributions to the fund.

Further details of the City of London Pension Scheme can be found in note 18 to the financial statements.

### Going Concern

The City Corporation considers City's Estate to be a going concern as set out in note b) of the Statement of Significant Accounting Policies.

### Financial Commitments

The City Corporation has agreed a £50.0m contribution to Crossrail from City's Estate subject to the completion of the works; the exact payment date has yet to be agreed. The agreement with Crossrail is an executory contract and therefore outside the scope of FRS102. An executory contract is a contract under which neither party has performed any obligations or both parties have partially performed their obligations to an equal extent.

In addition, there are contractual commitments of £3.5 for the Guildhall West Wing Space Cooling project to replace the chiller and cooling tower.

### Events After the Reporting Date

There are no material events after the reporting date.

### Explanation of the Financial Statements

City's Estate financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) as issued by the Financial Reporting Council and consist of the following:

- Consolidated Statement of Comprehensive Income showing all income available and all expenditure incurred;
- Consolidated Statement of Financial Position setting out the assets, liabilities and funds of City's Estate;
- Consolidated Statement of Changes in Equity which includes the profit or loss for the period together with other recognised gains and losses and reconciles to the total movement in reserves;
- Consolidated Statement of Cash Flows showing the movement of cash for the year; and
- Notes to the financial statements explaining the accounting policies adopted and explanations of figures contained in the financial statements.

The following separate entities have been consolidated with City's Estate accounts:

Registered charities which are managed and funded by the City Corporation:

- Ashted Common
- Burnham Beeches
- Epping Forest
- Hampstead Heath
- Hampstead Heath Trust
- Highgate Wood and Queen's Park Kilburn
- West Ham Park
- West Wickham Common, Spring Park Wood and Coulsdon and other Commons

- Sir Thomas Gresham Charity
  - Keats House
- City Re Limited – a wholly owned subsidiary company whose principal activity is to provide re-insurance protection. The company is a limited company, limited by shares and is incorporated in Guernsey, registration number 52816. The Directors' Report and Financial Statements have been prepared in accordance with The Insurance Business (Bailiwick of Guernsey) Law, 2002, FRS102 and FRS103 "Insurance Contracts" and are available at <https://www.cityoflondon.gov.uk/about-us/budgets-spending/statements-of-accounts> . The company allows the City to share in underwriting profits with a known capped downside financial risk of £250,000 per claim.
  - Barking Power Limited (company registration number 02354681) and Thames Power Services Limited (company registration number 02624730) – the Court of Common Council approved the purchase of these companies and the associated Barking Reach Power Station site, which was completed on 14 December 2018. The power station is not operational, and the City of London Corporation is remediating the site for future redevelopment. For this reason, the financial statements of Barking Power Limited and Thames Power Services Limited are prepared on a basis other than that of a going concern. However, the Directors of these two entities consider that no adjustments are required as a result of preparing the financial statements on a basis other than that of a going concern.

#### Disclosure of Information to the Auditor

At the date of approval of this report, the City Corporation confirms that:

- so far as it is aware, there is no relevant audit information of which the Auditor is unaware; and
- it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

#### Responsibilities of the City of London Corporation for the Annual Report and Financial Statements

The City Corporation is responsible for preparing the Annual Report and Financial Statements for each financial year in accordance with applicable law and regulations. The City Corporation has elected to prepare the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements would not be approved by the City Corporation unless it is satisfied that they give a true and fair view of the state of affairs of the organisation and of the surplus or deficit of the organisation for that period. In preparing these financial statements, the City Corporation has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The City Corporation is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the financial statements comply with applicable law and regulations. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The City Corporation is responsible for the maintenance and integrity of the corporate and financial information included in its website.

## Approval of the Annual Report and Financial Statements

At a meeting of the Finance Committee held at Guildhall on XX October 2024, the financial statements of City's Estate were approved on behalf of the Court of Common Council.

**Henry Nicholas Almroth Colthurst**  
Chairman of Finance Committee

**Guildhall, London**  
**XX October 2024**

**Randall Keith Anderson**  
Deputy Chairman of Finance Committee

**INDEPENDENT AUDITOR'S REPORT TO THE CITY OF LONDON CORPORATION**

**HOLD FOR AUDITORS REPORT**

**HOLD FOR AUDITORS REPORT**



**HOLD FOR AUDITORS REPORT**



# Consolidated Financial Statements

## Consolidated Statement of Comprehensive Income for the year ended 31 March 2024

	Notes	2024 £m	2023 £m
<b>Income</b>			
Education		103.6	96.7
Investments - property and managed funds	1	79.3	66.0
Markets		14.1	12.3
Open Spaces		7.8	8.1
City Representation		2.6	1.2
Innovation and Growth		0.7	0.7
Grants and other activities		1.0	0.7
<b>Total Income</b>	<b>1</b>	<b>209.1</b>	<b>185.7</b>
<b>Expenditure</b>			
Education		(123.9)	(109.7)
Investments - property and managed funds	2	(33.0)	(36.9)
Markets		(103.6)	(47.3)
Open Spaces		(25.9)	(24.3)
City Representation		(18.9)	(16.4)
Innovation and Growth		(10.0)	(7.9)
Grants and other activities		(28.2)	(30.1)
Management and Administration		(12.6)	(9.2)
Net pension scheme costs	18c	(0.6)	(26.8)
<b>Total expenditure</b>	<b>2 to 4</b>	<b>(356.7)</b>	<b>(308.6)</b>
<b>Operating deficit before (loss) in fair value of investments</b>		<b>(147.6)</b>	<b>(122.9)</b>
(Loss) / gain in fair value of property investments	6	(55.1)	(216.3)
Gain in fair value of non-property investments	8	108.5	3.9
<b>Operating (deficit) / gain</b>		<b>(94.2)</b>	<b>(335.3)</b>
Profit on Sale of Fixed Assets		4.0	7.7
Loan financing costs	16	(10.5)	(10.5)
<b>(Deficit) / gain before taxation</b>		<b>(100.7)</b>	<b>(338.1)</b>
Taxation	5	-	-
Deferred taxation	17	3.2	9.8
<b>(Deficit) / surplus for the year</b>		<b>(97.5)</b>	<b>(328.3)</b>
<b>Other comprehensive income</b>			
Actuarial gain on defined benefit pension schemes	18c	43.2	310.2
<b>Total comprehensive (expenditure) / income for the year</b>		<b>(54.3)</b>	<b>(18.1)</b>

All amounts relate to continuing operations. The notes on pages 32 to 58 form part of these financial statements.



## Consolidated Statement of Financial Position at 31 March 2024

	Notes	2024 £m	2023 £m
<b>Fixed Assets</b>			
Investment properties	6	<b>1,875.8</b>	1,917.7
Tangible assets	6	<b>338.5</b>	329.7
Heritage assets	7	<b>182.2</b>	182.0
Non-property investments	8	<b>986.5</b>	977.2
Intangible assets	9	<b>19.5</b>	23.5
Long term debtors	10	<b>7.8</b>	7.4
<b>Total Fixed Assets</b>		<b>3,410.3</b>	3,437.5
<b>Current Assets</b>			
Stocks – finished goods	12	<b>0.4</b>	0.4
Short term Debtors	10	<b>31.6</b>	39.3
Non-property investments	8	<b>2.0</b>	60.7
Cash at bank and in hand		<b>15.6</b>	28.8
<b>Total Current Assets</b>		<b>49.6</b>	129.2
<b>Creditors: amounts falling due within one year</b>	13	<b>(88.3)</b>	(87.7)
<b>Net Current Assets</b>		<b>(38.7)</b>	41.5
<b>Total Assets less Current Liabilities</b>		<b>3,371.6</b>	3,479.0
Deferred income	14	<b>(98.0)</b>	(82.0)
Finance leases	15	<b>(2.4)</b>	(2.4)
Long-term loans	16	<b>(449.0)</b>	(449.0)
Provisions for liabilities	17	<b>(26.2)</b>	(52.7)
<b>Net Assets excluding pension liability</b>		<b>2,796.0</b>	2,892.9
Defined benefit pension scheme liability	18,19	<b>(23.0)</b>	(65.6)
<b>Net Assets</b>		<b>2,773.0</b>	2,827.3
<b>Capital and Reserves</b>			
Operational Capital Reserve		<b>338.5</b>	329.8
Heritage Assets Reserve		<b>182.2</b>	182.0
Income Generating Fund		<b>2,883.8</b>	2,979.0
Working Capital Fund		<b>(159.5)</b>	(148.9)
Loan Fund		<b>(449.0)</b>	(449.0)
Pension Reserve		<b>(23.0)</b>	(65.6)
<b>Total Capital Employed</b>	19	<b>2,773.0</b>	2,827.3

Approved for issue XX October 2024

Caroline Al-Beyerty, Chamberlain and Chief  
Financial Officer

## Consolidated Statement of Changes in Equity for the year ended 31 March 2024

	2023			2024				Total £m
	Total	Heritage Operational Capital	Assets Reserve	Income Generating Fund	Working Capital Fund	Loan Fund	Pension Reserve	
	£m							
Capital Employed brought forward 1 April	2,845.4	329.8	182.0	2,979.0	(148.9)	(449.0)	(65.6)	<b>2,827.3</b>
Total comprehensive income	(18.1)	8.7	0.2	(95.2)	(10.6)	0.0	42.6	<b>(54.3)</b>
Capital Employed carried forward 31 March	2,827.3	338.5	182.2	2,883.8	(159.5)	(449.0)	(23.0)	<b>2,773.0</b>

## Consolidated Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 £m	2023 £m
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	20a	<b>(213.9)</b>	(132.1)
<b>Cash flows from investing activities:</b>			
Net dividends, interest and rents from investments		<b>79.3</b>	66.0
Cash taken from / (invested in) short term deposits		<b>62.7</b>	127.7
Proceeds from the sale of property, plant and equipment		<b>39.9</b>	72.3
Purchase of property, plant and equipment		<b>(21.1)</b>	(42.0)
Proceeds from sale of investments		<b>218.2</b>	153.6
Purchase of investment properties and other investments		<b>(167.8)</b>	(226.3)
<b>Net cash provided/(used) in investing activities</b>		<b>211.2</b>	151.3
<b>Cash flows from financing activities:</b>	20b	<b>(10.5)</b>	(10.5)
<b>Increase in cash in the year</b>		<b>(13.2)</b>	8.7
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(13.2)</b>	8.7
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>28.8</b>	20.1
<b>Cash and cash equivalents at end of year</b>	20c	<b>15.6</b>	28.8



CITY OF LONDON  
SCHOOL

# Statement of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are summarised below. They have all been applied consistently throughout the year and to the comparative figures in dealing with items which are considered material in relation to the City's Estate financial statements.

**a) Basis of Preparation**

The City of London Corporation has chosen to prepare the City's Estate financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as issued by the Financial Reporting Council.

This Statement of Accounts is prepared for the City of London Corporation ("the City Corporation") only to the extent that it includes the economic activities such as education activities (operating 4 fee paying schools and The Guildhall School of Music & Drama); the operation of 3 wholesale food markets; managing and operating a number of open spaces across 11 London boroughs and 4 district councils; City of London representation; Innovation and growth activities; management and administration activities; Grant making activities. Accordingly, the reporting entity, for the purpose of these accounts, is City's Estate which is a part of the City Corporation but is not in itself a legal entity. This means the legal party to transactions and balances relating to City's Estate is the City Corporation.

Assets, liabilities and transactions of the City Corporation are allocated to City's Estate and recognised in these financial statements where they relate to City's Estate's economic activities mentioned above. The basis of allocation of assets, liabilities and transactions to City's Estate (including income and expenditure) has been made on a consistent basis for many years and that basis is reported and explained in more detail within this statement of significant accounting policies, including accounting policy (z) Critical Accounting Judgements and Estimates, and within the notes to the consolidated financial statements where appropriate. The basis of allocations is periodically reviewed to confirm that this basis of allocating shared income and expenditure, and assets and liabilities, remain appropriate. The method of allocation applied to major classes of assets and liabilities, and income and expenditure, are explained within the separate accounting policies below.

**b) Going Concern**

In the opinion of the City Corporation, City's Estate is a going concern as it annually receives considerable income from its property and non-property investments. This income is considered in the context of a rolling medium-term (circa 4-5 years) financial forecast to ensure that services are affordable and sustainable. Cash and liquid investments are monitored and maintained at a level to ensure that sufficient resources are available to finance any in-year deficits. City's Estate activities are discretionary therefore provide flexibility to alter activities in line with resources available.

**c) Consolidation**

The City's Estate financial statements consolidate the financial results of the services provided directly, including ceremonial, schools and markets; City Re Ltd. a wholly-owned subsidiary of the City Corporation whose principal activity is to provide re-insurance protection and is included as part of management and administration activities in City's Estate; trust funds in respect of seven open spaces, the Sir Thomas Gresham Charity, Keats House; and Barking Power Limited and Thames Power Services Limited. The latter two companies represent a power station that is located on a site which the City Corporation intends to remediate and decontaminate for future redevelopment and is part of City's Estate innovation and growth activities. In the case of charities and trusts, the rationale for consolidation is that the City Corporation is the sole Trustee and thereby exercises operational control over their activities, but specifically through its City's Estate fund due to this fund providing the majority of each charity's funding.

**d) Income and Expenditure**

City's Estate financial statements include only those activities of the Corporation relating to its services as set out paragraph (a). The majority of City's Estate's income generated from services relates specifically to City's Estate's defined activities. Similarly, some expenditure incurred relates to defined City's Estate activities. However, the Corporation also incurs central running costs for staff and overheads for all Funds and an appropriate allocation of these costs is charged to each fund. The principal basis of allocating these costs include an estimation of time spent by staff on the activities of each fund and the other running costs and overheads are allocated by reference to the floor space used by staff supporting the activities of each Fund.

The accounts of City's Estate are maintained on an accrual basis. Consequently, activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to City's Estate. This is usually at the point the purchaser has signed for the delivery of the goods.
- Revenue from education is recognised in the Statement of Comprehensive Income when City's Estate is entitled to the income, which is the period in which the student is studying. Tuition fees received in advance of the financial year are deferred in the Statement of Financial Position. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount. Non-refundable payment such as application fee and registration fees are recognised when received.

Rental income is recognised on a receivable basis and at the date stated on the lease terms. Rent received in advance of the financial year are deferred in the Statement of Financial Position.

Investment income and income from other provision of services is recognised on the Statement of Comprehensive Income on a receivable basis.

- Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations for purposes other than capital expenditure (see note 1 - Income) are recognised as income at the date that the conditions of entitlement to the grant/contribution are satisfied, when there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Where a grant or contribution has been received but the conditions of entitlement have not been satisfied, the grant or contribution is treated as a receipt in advance. Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments is accounted for as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when City's Estate has transferred substantially all the risks of and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.
- Finance costs consist of the interest payable on borrowings.

#### e) **Deferred Income**

Lease premiums relating to operating leases are treated as deferred income and released to revenue over the life of the lease (see note n: Leases).

#### f) **Tangible Fixed Assets – Operational Properties, Infrastructure, Vehicles, Plant and Equipment**

These are assets held and used for the direct delivery of services. They are carried at historic cost\* less depreciation on a straight-line basis to write off their costs over their estimated useful lives (\*this only includes assets acquired since 2000 as earlier historic cost information is not available). Depreciation is charged from the year following that of acquisition. Where the effects of major additions and disposals in the year are material, depreciation charges will be adjusted accordingly. Land is not depreciated.

Typical asset lives are as follows:

Buildings and any other component elements within those buildings	10 to 50 years
Plant and machinery (including the following):	
Plant	10 to 20 years
Furniture and equipment	3 to 15 years
Vehicles	3 to 10 years



Assets costing less than £50,000 are generally charged to the Consolidated Income and Expenditure Account in full in the year of purchase, although assets which cost less than £50,000 individually may be grouped together and capitalised.

**g) Tangible Fixed Assets – Freehold investment properties**

These are assets held to earn rental income and/or for capital appreciation which are revalued annually to fair value as at 31 March. City's Estate Investment Property valuation was £1,875.8 m at 31 March 2024 (2022/23: £1,917.7m). Gains or losses arising from changes in the fair value of investment property are included in the Consolidated Statement of Comprehensive Income.

**De-Recognition**

The carrying amount of an item of property, plant and equipment is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an asset is the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The gain or loss arising from de-recognition of an asset is included in the Consolidated Statement of Comprehensive Income.

**h) Assets under construction**

Payments made to contractors for works completed to date are included within fixed assets pending the asset being recognised as operational. No depreciation is charged on such assets.

**i) Impairments**

An impairment loss arises if the carrying amount of an asset exceeds its recoverable amount. This could be caused by such factors as a significant decline in an asset's value during the period (i.e. more than expected as a result of the passage of time, normal use or general revaluation), evidence of obsolescence or physical damage of an asset, a commitment to undertake a significant reorganisation, a significant adverse change in the statutory or other regulatory environment or restitution of heritage assets if found to have been previously

stolen. An annual assessment takes place as to whether there is any indication that property assets may be impaired.

An impairment loss on investment property is treated as a revaluation movement which is included in the Consolidated Statement of Comprehensive Income.

An impairment loss on operational assets or heritage assets is recognised in the Consolidated Statement of Comprehensive Income. The reversal of an impairment loss on operational or heritage property, previously recognised in the Consolidated Statement of Comprehensive Income, will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

**j) Heritage Assets**

City's Estate heritage assets largely comprise art and sculpture treasures are accounted for at cost less impairments, or where cost cannot be readily identified, on the basis of available information, as a proxy for cost.

As heritage assets have indeterminate lives and potentially high residual values, no depreciation is charged. All expenditure on subsequent preservation, conservation, accessibility, etc. is charged directly to the Consolidated Statement of Comprehensive Income.

**k) Financial Assets and Liabilities**

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. Basic financial instruments included cash, debtors and creditors, and investment in non-derivative financial instruments, any other financial instrument other than those listed are classified as 'other'. All financial instruments held by City's Estate are basic financial instruments.

**l) Non-Property Investment Assets**

Non-property investment assets are held in accordance with the investment policy set by the City of London Corporation. FTSE 100 Company investments are valued at the Stock Exchange Trading System (SETS) price at close on 31 March of the relevant year. Other quoted investments are valued at the middle market price at the close of business on 31 March. Unquoted investments consist of

private equity and infrastructure funds. Private equity funds are valued based on comparable valuation of similar companies in accordance with international private equity valuation guidelines, and infrastructure funds are valued based on discounted cashflows applied to equity and debt instruments.

Short term non-property investments are investment held with maturity dates less than one year and are mainly held as part of the portfolio strategy i.e. the fund manager usually holds a level of cash as a part of their short-term strategy. They are not held as short-term commitments i.e. they are not normally held for any pending trades and are not held as a part of the long term holding timeline.

In respect of short term investments and cash, whilst each fund, including City's Estate, maintains a cash book for its own cash transactions and balances, the cash balances are pooled across the City Corporation for treasury management purposes. Cash balances either held in the City Corporation's bank accounts or invested are allocated to City's Estate in proportion to its cash book share of cash balances and short term investments. Investment income on cash balances and investments are allocated to the City's Estate based on the share of the City's Estate cash book of the total cash balances and investments.

Non-property investment assets have been accounted for at 'fair value through the statement of comprehensive income'.

Income generated by non-property investment assets remains within the fund to be reinvested, with City's Estate drawing down income (realising gains or losses) as required. As a consequence, the operating surplus or loss within the Consolidated Statement of Comprehensive Income includes the gain or loss in fair value on all non-property investments.

#### m) **Intangible Assets**

Intangible assets comprise:

- Goodwill on the purchase of Barking Power Limited and Thames Power Services Limited, which is recognised as the excess of the cost of their acquisition over the net amount of its identified assets and liabilities. The purchase goodwill is gain from the land value of the power station sites, which has unlimited useful economic life, FRS102 requires this kind of

goodwill to be amortised over 10 years, which is the maximum useful economic life of these assets under the standard.

- Computer systems and software licences which are capitalised at cost and reflected within the financial statements at amortised historic cost. Amortisation is calculated by allocation of the balance sheet value of the asset, less any residual value, to the periods expected to benefit from its use on a straight-line basis over 3 to 7 years. Amortisation charges are charged to service revenue accounts.

#### n) **Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

##### *Finance Leases*

##### City's Estate as Lessee

The City of London recognises property, plant and equipment held under finance leases as assets at the commencement of the lease at amounts equal to its fair value and, where material, liabilities at the lower of the present value of the minimum lease payments or the fair value of the property. The asset recognised is matched by a liability for the obligation to pay the lessor. Minimum lease payments are apportioned between a finance charge (interest) and a reduction of the outstanding liability. The finance charge element is allocated to revenue and is calculated so as to produce a constant periodic rate of interest on the remaining balance of the liability. Where liabilities are immaterial, a liability is not recognised, and the full rental is charged to revenue over the term of the lease.

##### City's Estate as Lessor

Amounts due from lessees under finance leases are recorded in the Consolidated Statement of Financial Position as a debtor at the amount of the net investment in the lease. The lease payments receivable is apportioned between repayment of the debtor and finance income. The finance income is credited to revenue and calculated so as to give a constant periodic rate of return from the net investment. The asset is written out of the Consolidated Statement of Financial Position as a disposal. A gain, representing the net investment in the lease is credited to

income and the difference shown as a gain or loss on disposal. Where the lessee acquires the asset through payment of a premium at the commencement of the lease, this is included as a capital receipt and there is no remaining finance lease asset.

#### *Operating leases*

##### City's Estate as lessee

Rentals payable are charged to revenue on a straight-line basis even if the payments are not made on such a basis unless another systematic and rational basis is more representative of the benefits received.

##### City's Estate as lessor

Assets subject to operating leases are included in the Consolidated Statement of Financial Position according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis over the period of the lease, even if the payments are not received on this basis (e.g. due to lease incentives, premiums, etc), unless another systematic and rational basis is more representative of the time pattern in which the benefits derived from the leased asset are diminished.

#### *Grants of long leases*

The City Corporation in some instances grants leases of land and buildings in excess of 100 years. On inception of the lease an assessment is made whether the lease is in substance for the use of the premises for the majority of its useful life, in which case the lease is classified as a finance lease, or a right to occupy land (commonly where the site is redeveloped) in which case the lease is classified as an operating lease.

#### *Lease Incentives*

Benefits received and receivable as an incentive to sign a lease are spread on a straight-line basis over the lease term in accordance with FRS102.

#### **o) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a note to the accounts, a provision is recognised in the financial statements for the period in which the change in probability occurs (except in circumstances where no reliable estimate can be made). Where a contingent liability exists, but a reliable estimate cannot be made, a note is disclosed in the accounts unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### **p) Loans**

Loans to City's Estate are recognised in the Statement of Financial Position initially at fair value less loan transaction costs which are capitalised to the loan account. Using the amortised cost and effective interest method, loan transaction costs and interest are allocated to the Consolidated Statement of Comprehensive Income over the life of the loan.

#### **q) Provisions**

Provisions are made where an event has taken place that gives the City a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the City may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the City becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant

risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the City settles the obligation.

r) **Cash and cash equivalent**

Cash and cash equivalent comprises funds repayable to the City Corporation without penalty on notice within 24 hours, less cheques and BACS payments issued but not presented, and investments with maturity of three months or less.

s) **Stocks of Finished Goods**

Stocks of finished goods are valued at the lower of cost or net realisable value.

**Pension Costs**

Non-Teaching Staff

The City Corporation operates a funded defined benefit pension scheme for its staff employed on activities relating to its three funds (i.e. City Fund, City's Estate and City Bridge Foundation). The scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date will be based on career average revalued earnings, with various protections in place for those members in the Scheme before the changes took effect.

The Pension Fund is the responsibility of the City of London as a whole, which is one employer, and not the responsibility of any of its three funds. City's Estate does not have an exclusive relationship with the City of London Pension Fund. Although the proportion of the Pension Fund that relates to City Corporation employee members engaged on City's Estate is not separately identifiable, a share of the total Pension Fund net deficit has been allocated to City's Estate based on a three year average of the percentage of employer's pension contributions paid into the Fund by City's Estate as a proportion of total employer's contributions paid.

For the defined benefit scheme, the amounts charged in expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Consolidated Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in City's Estate and are invested by independent fund managers appointed by the City Corporation. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the Consolidated Statement of Financial Position.

As an employer participating in the Scheme, the City Corporation's estimated share of the net deficit is the responsibility of the City Corporation as a whole. The Corporation and its three funds have a policy in place to share the net defined benefit cost of the pension fund across the three funds. As such City's Estate recognises the apportioned net defined benefit cost along with a share of scheme assets and scheme liabilities.

Pension Costs – Teachers

The payment of pensions to former teachers is the responsibility of the Teachers' Pension Scheme (the Scheme). Consequently, teachers' pension fund contributions, together with the employer's contributions, are paid by the City of London to the Scheme. The Scheme is a multi-employer defined benefit statutory scheme administered in accordance with the Teachers' Pension Scheme Regulations 2014.

The Scheme is funded on a notionally funded basis – no actual assets back the liabilities but a notional Fund is constructed for the purposes of setting employer

contributions. Contributions are set every four years as a result of the actuarial valuation of the Scheme by the Government Actuary's Department on behalf of the Secretary of State.

As it is not possible to identify the assets and liabilities at individual employer level, this scheme has been accounted for as a defined contribution scheme where employee and employer contributions are accounted for only.

u) **Statutory Deductions from Pay**

The City of London Corporation accounts centrally for salary and wage deductions. Consequently, the City's Estate accounts treat all sums due to the HMRC as having been paid.

v) **Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the consolidated Statement of Financial Position date and the gains or losses on translation are written on / off to revenue account.

4) **Tax**

The City of London Corporation is a single legal entity and legislation treats it as a local authority for tax purposes. VAT is recovered from HMRC on supplies received and paid to HMRC on supplies made. All transactions are therefore included without VAT. The City of London Corporation is exempt from income and corporation tax.

City Re Limited, a wholly-owned subsidiary of the City of London Corporation in its City's Estate capacity, conforms to the tax requirements for Guernsey companies.

Barking Power Limited and Thames Power Limited are both subject to corporation tax, which comprises current and deferred tax. Corporation tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the exception of deferred tax assets that are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

x) **Overheads**

The costs of support service overheads, except for expenditure on corporate and democratic activities, are generally apportioned between all services on the basis of employee time spent. Similarly, except for vacant properties, the costs of support service buildings are allocated based on space occupied by each service.

y) **Reserves**

A number of reserves are held as endowment funds or restricted funds received by the City Corporation for specified purposes. These are held in the Working Capital Fund, which is shown in note 19.

z) **Critical Accounting Judgements and estimates**

In applying accounting policies, the Corporation has to make certain judgements and estimates about complex transactions or those involving uncertainty about future events. The estimates and associated assumptions are continually reviewed and are based on historical experience and other factors including expectations of future events that are considered to be reasonable under the circumstances. The judgements and estimates that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

**(i) Pension Benefits**

Estimation of the net liability to pay pensions depends on several factors such as the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries has been engaged to provide the City Corporation with expert advice about the assumptions to be applied. The total Pension Fund net deficit has been allocated to City's Estate based on a three year average of the percentage of employer's pension contributions paid into the Fund by City's Estate as a proportion of total employer's contributions paid.

The effect of changes in individual assumptions on the net pension's liability can be measured but are complex and interact in a complex manner. For example, the actuary determines the appropriate discount rate at the end of each year after taking account of the yield from a high quality bond of appropriate duration, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liabilities of £10.5m. Other key assumptions for pension obligations are based in part on current market conditions and demographic data. Additional information on pension schemes is given in note 18 on pages 46 to 50.

**(ii) Valuation of Investment Properties**

The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties/assets, indices etc. Valuation for investment properties is calculated in accordance with "RICS Valuation – Global Standards 2020" together with the UK National Supplement (the "RICS Red Book"). The valuations apply market capitalisation rate to future rental cash flow with reference to data from comparable market transactions with assessment of the security of income. Valuers are required to consider the conditions that existed as at the balance sheet date.

**(iii) Short term investments and cash and cash equivalents**

Whilst each fund maintains a cash book for its own cash transactions and balances, the cash and cash equivalent balances are pooled across the Corporation for treasury management purposes. The balances held in the City Corporation's bank accounts or invested in money market funds, deposits and investments from surplus cash are allocated to City's Estate in proportion to its cash book share of cash and

cash equivalent balances and short-term investments. Investment income on these balances is allocated to City's Estate based on its share of the total cash and cash equivalent balances and investments.

**(iv) Other assets and liabilities**

Where the Corporation incurs central running costs for staff and overheads for all Funds and an appropriate allocation of these costs is charged to each Fund, a corresponding asset or liability is recognised on the same basis by City's Estate.

**aa) City Re Ltd - Any other accounting policies used that are relevant to an understanding of the financial statements****(i) Gross premiums written**

Gross premiums written is in respect of the provision of reinsurance protection to RSA Insurance Group Plc on the risks associated with material damage and loss of rent insurance programmes of the City of London portfolio.

**(ii) Unearned premiums**

Unearned premium represents the proportion of premium which has been pre-paid for the following financial period.

**(iii) Claims**

Claims are accounted for on an accruals basis. Provisions made for the cost of outstanding claims reported at the reporting date are included in the outstanding loss reserve. The estimate for the cost of claims incurred but not reported ("IBNR") is included in the IBNR reserve. The current IBNR is in the sum of £250,000 (2023: £125,000) is determined by the Board of Directors using both historical data and any data available up to the approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

**(iv) Commission**

Fronting fees calculated as 3% of gross premiums written is payable to RSA Insurance Group Pic and are earned over the related policy period.

**(v) Explanation of recognised amounts from insurance contracts**

Schedule 3 to the FRS103 Regulations requires disclosure of the total amount of commissions for direct business including acquisition, renewal, collection and portfolio management. For this purpose, commission shall exclude payments made to employees of the undertaking.

An insurer shall disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts.

To comply with statement above an insurer shall disclose:

**(a)** the recognised assets, liabilities, income and expense (and, if it presents its statement of cash flows using the direct method, cash flows) arising from insurance contracts. Furthermore, if the insurer is a cedant, it shall disclose:

(i) gains and losses recognised in profit or loss on buying reinsurance; and

(ii) if the cedant defers and amortises gains and losses arising on buying reinsurance, the amortisation for the period and the amounts remaining unamortised at the beginning and end of the period;

**(b)** the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amounts described in (a). When practicable, an insurer shall also give quantified disclosure of those assumptions;

**(c)** the effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements; and

**(d)** reconciliations of changes in insurance liabilities, reinsurance assets and, if any, related deferred acquisition costs.

**(vi) Nature and extent of risks arising from insurance contracts****CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The

estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that the directors have made in the process of the applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amount provided. Adjustments to the amounts of provision are reflected in the financial statements for the period in which the adjustments are made.

**Outstanding loss reserves**

The carrying amount of the reserve is £2,576,105 (2023: £2,917,853). There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The level of provision has been set on the basis of the information that is currently available, including potential outstanding loss advices, experience of development of similar claims and on the advice of expert loss adjusters where appropriate.

**IBNR**

The current IBNR is in the sum of £250,000 (2023: £250,000) is determined by the Board of Directors using both historical data and any data available up to the date

of approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

### MANAGEMENT OF INSURANCE RISK

The principal risk that the Company faces under its insurance contracts is that the actual claims are significantly different to the amounts included in the technical reserves. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amounts of claims may vary from year to year from the estimate established.

The Company provides re-insurance protection to the RSA Insurance Group Plc on the risks associated with material damage and loss of rent for the City of London's property portfolio. The re-insurance protection is limited to a maximum liability of £250,000 for each and every loss with an aggregate limit equal to £250,000 in excess of net written premium.

All risks covered under the insurance policy are within the United Kingdom.

### Claims development tables

The claims development table that follows shows claims reported per underwriting year which remain open in the respective policy year.

#### Claims development table at 31 March 2024

<u>Underwriting year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
accounting period end	233,724	837,927	495,995	189,228	360,520	360,520	173,399	287,493	2,938,806
one year later	1,436,816	2,172,013	1,511,546	1,897,176	2,330,911	2,330,911	1,723,389	-	13,402,762
two years later	1,603,168	2,240,475	1,431,278	1,871,543	2,770,148	2,505,066	-	-	12,421,678
three years later	1,525,342	2,281,671	1,400,675	1,796,195	2,729,398	-	-	-	9,733,281
four years later	1,531,492	2,224,412	1,390,470	1,817,363	-	-	-	-	6,963,737
five years later	1,405,066	2,223,612	1,265,169	-	-	-	-	-	4,893,847
six years later	1,405,066	2,181,212	-	-	-	-	-	-	3,586,278
seven years later	1,383,045	-	-	-	-	-	-	-	1,383,045
Current estimate of cumulative claims	1,383,045	2,181,212	1,265,169	1,817,363	2,729,398	2,505,066	1,723,389	287,493	13,892,135
Cumulative payments to date	(1,260,250)	(1,624,134)	(1,258,933)	(1,718,930)	(2,569,967)	(2,165,605)	(454,159)	(14,052)	(11,066,030)
Statement of Financial Position Reserves	<b>122,795</b>	<b>557,078</b>	<b>6,236</b>	<b>98,433</b>	<b>159,431</b>	<b>339,461</b>	<b>1,269,230</b>	<b>273,441</b>	<b>2,826,105</b>

The Company has currently provided for an Incurred but not Reported Reserve in the sum of £250,000 (2023: £250,000) which has been agreed by the Board of Directors.





# Notes to the Consolidated Financial Statements



## Notes to the Consolidated Financial Statements

### 1. Income

#### Investment Income

Investment income relating to property and non-property investments comprises:

	2024 £m	2023 £m
Rentals, service charges and dilapidations income	84.0	60.8
Dividends from non-property investments and interest on fund balances	(4.7)	5.2
<b>Total investment income</b>	<b>79.3</b>	<b>66.0</b>

Note: rent receivable in 2023/24 in respect of operating leases was £62.6m (2022/23: £50.9m).

#### Education Income

Includes tuition fees, grants, donations and charges for the use of facilities.

#### Markets Income

Markets income includes rent and service charges from tenants and charges for the use of facilities.

#### Open Spaces Income

Income from government grants, other grants and donations and fees for the use of facilities.

### 2. Expenditure

#### Investment Management Costs

Expenses relating to property and non-property investments comprise:

	2024 £m	2023 £m
Property investment expenses	26.0	31.4
Non-property investments - management fees paid to fund managers	7.0	5.5
<b>Total Investment Management Costs</b>	<b>33.0</b>	<b>36.9</b>

Property investment expenses comprise staff costs, repairs and maintenance costs, property running costs and professional fees relating to the management of the investment property portfolio.

#### Depreciation

The operating deficit is stated after charging depreciation amounting to £7.9m (2022/23: £8.3m).

#### Operating Lease Rentals

During the year of account City's Estate spent £1.7m on operating lease rentals in respect of premises (2022/23: £1.0m.)

#### Auditor's remuneration

Remuneration to the external auditor, Crowe U.K. LLP, for audit services relating to the year of account for the City's Estate consolidated financial statements including the audit of the individual charities consolidated within City's Estate but excluding the audit of Barking Power Ltd and Thames Power Services Ltd (whose audit fees are disclosed separately in those financial statements) amounted to £414,455 (2022/23: £508,500).

City's Estate paid £6,000 to Crowe U.K. LLP for non-audit services during the year (2022/23: £19,800).

#### Members' expenses

In November 2021, the Court of Common Council introduced an annual, flat rate allowance for Members, which is based on the City Corporation's rate for inner-

London Weighting paid to its staff. The allowance is optional and is intended to recompense Members for the duties they undertake on behalf of the City Corporation, while also enabling those who choose not to claim from the scheme to maintain their status as volunteers. During the year, circa £194,000 in remuneration from City's Estate was claimed for Members undertaking their duties (2022/23: £340,000).

Members may also claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City Corporation. These costs totalled £7,764 (2022/23: £44,559) across all of the City's activities.

### 3. Staff numbers and costs

Staff employed by the City Corporation work on a number of the City Corporation's activities. The table overleaf sets out the number of full-time equivalent staff charged directly to City's Estates services and their remuneration costs. In addition, the table includes an apportionment of time spent and costs of support service staff attributable to City's Estate services.

Number of employee full time equivalents	2024 FTE	2023 FTE
Investment properties	8.4	15.5
Education	866.0	845.5
Markets	79.7	89.0
Open spaces	291.8	275.8
City representation	67.9	69.2
Grants and other activities	30.3	39.1
Support Services	196.5	195.3
<b>Total</b>	<b>1,540.6</b>	<b>1,529.4</b>

Employee remuneration	Gross Pay £m	National Insurance £m	Pensions £m	2024 £m	2023 £m
Investment Management	0.8	0.1	0.2	1.1	1.1
Education	51.0	5.3	10.6	66.9	62.5
Markets	3.9	0.3	0.6	4.8	4.2
Open spaces	10.3	1.0	1.8	13.1	12.1
City representation	4.1	0.4	0.7	5.2	4.8
Grants and other activities	2.6	0.3	0.8	3.7	3.1
Support Services	12.2	1.2	2.0	15.4	13.3
<b>Total</b>	<b>84.9</b>	<b>8.6</b>	<b>16.7</b>	<b>110.2</b>	<b>101.1</b>

### 4. Remuneration of senior employees

The number of staff earning more than £50,000 in aggregate in bands of £10,000 is set out in table 1 overleaf. The City Corporation considers its key management personnel to comprise of the Members of the City of London Corporation and senior officers excluding Chief Officers. Their remuneration are details in Table 2.

**Table 1 - Remuneration in Bands**

Salary Range £	Wholly charged to City's Estate		Partially Charged to City's Estate	
	2024	2023	2024	2023
50,000 - 59,999	<b>112</b>	73	<b>271</b>	237
60,000 - 69,999	<b>81</b>	52	<b>176</b>	142
70,000 - 79,999	<b>83</b>	88	<b>100</b>	70
80,000 - 89,999	<b>47</b>	95	<b>38</b>	28
90,000 - 99,999	<b>20</b>	19	<b>19</b>	14
100,000 - 109,999	<b>9</b>	12	<b>16</b>	9
110,000 - 119,999	<b>7</b>	6	<b>4</b>	7
120,000 - 129,999	<b>6</b>	5	<b>5</b>	6
130,000 - 139,999	<b>2</b>	2	<b>9</b>	5
140,000 - 149,999	<b>0</b>	0	<b>1</b>	1
160,000 - 169,999	<b>0</b>	0	<b>0</b>	1
170,000 - 179,999	<b>0</b>	0	<b>0</b>	1
180,000 - 189,999	<b>0</b>	0	<b>0</b>	1
190,000 - 199,999	<b>0</b>	0	<b>0</b>	1

Where there are no officers in a band, that band has not been included in the table.

To provide consistency with the disclosure in the City Fund Financial Statements, tables 2 and 3 set out voluntary information for 2023/24 and 2022/23 respectively in accordance with the Accounts and Audit Regulations 2015, applicable to the City Corporation.

Table 2 - 2023/24 remuneration for those senior employees which we disclose individually

Post Title	Name	Notes	Proportion charged to City's Estate activities where less than 100%	Salary chargeable to City's Estate (including fees and allowances)	Bonus	Expenses	Benefits in kind	Compensation for loss of office	Total Remuneration excluding pension contributions 2023/24	Pension Contributions	National Insurance Contributions	Total Remuneration including Pension Contributions 2023/24
			%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Salary is £150,000 or more a year</b>												
Town Clerk and Chief Executive	I. Thomas		40	119	-	-	-	-	119	-	16	135
Headmistress City of London School for Girls	J. Brown			223	-	-	-	-	223	46	29	298
Head City of London School	A. Bird			221	-	-	-	-	221	53	29	303
Comptroller & City Solicitor	M. Cogher	*	25	54	-	-	-	-	54	11	7	72
Principal of the Guildhall School of Music & Drama (wef Jun 22)	A. Vaughan			203	-	-	-	-	203	43	27	273
Headmaster City of London Freeman's School	M. Roland			202	-	-	-	-	202	53	27	282
Chamberlain	C. Al-Beyerty	*	35	67	-	-	-	-	67	14	9	90
City Surveyor	P. Wilkinson	*	45	86	-	-	-	-	86	18	11	115
Remembrancer	P. Wright			157	-	-	-	-	157	33	21	211
<b>Salary is between £50,000 and £150,000</b>												
Chief Operating Officer	Left Dec 2023	*	30	54	-	-	-	1	55	10	7	72
Director of Innovation and Growth	-	*	33	53	-	-	-	-	53	11	7	71
Chief Strategy Officer		*	45	65	-	-	-	-	65	14	8	87
Chief People Officer		*	45	60	-	-	-	-	60	12	7	79
Director of Markets & Consumer Protection	-	*	45	54	-	-	-	-	54	11	7	72
<b>Total</b>				1,618	-	-	-	1	1,619	329	212	2,160

\* These officers provide services for the City of London Corporation's local authority and non-local authority activities. The remuneration included in tables 2 and 3 relates to the proportion charged to City's Estate activities. The annualised salary for each of these officers is shown in table 4.

Table 2 - 2022/23 remuneration for those senior employees which we disclose individually

Post Title	Name	Notes	Proportion charged to City's Estate activities where less than 100%	Salary chargeable to City's Estate (including fees and allowances)	Bonus	Expenses	Benefits in kind	Compensation for loss of office	Total Remuneration excluding pension contributions 2022/23	Pension Contributions	National Insurance Contributions	Total Remuneration including Pension Contributions 2022/23
			%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Salary is £150,000 or more a year</b>												
Town Clerk and Chief Executive (left Dec 22)	J. Barradell	*	40	91	-	-	31	55	177	17	19	213
Chamberlain	C. Al-Beyerty	*	35	62	-	-	-	-	62	13	9	84
Comptroller & City Solicitor	M. Cogher	*	25	50	-	-	-	-	50	11	7	68
City Surveyor	P. Wilkinson	*	45	90	-	-	-	-	90	19	13	122
Head City of London School	A. Bird			171	-	-	34	-	205	46	23	274
Headmistress City of London School for Girls	J. Brown			171	-	-	36	-	207	41	23	271
Principal of the Guildhall School of Music & Drama (wef Jun 22)	J. Vaughan			210	-	-	-	-	210	44	29	283
<b>Salary is between £50,000 and £150,000</b>												
Town Clerk and Chief Executive (wef Feb 23)	-	*	40	16	-	-	-	-	16	-	2	18
Headmaster City of London Freeman's School	-			144	-	-	-	-	144	43	19	206
Director of Innovation and Growth	-	*	33	54	-	-	-	-	54	11	7	72
Chief Operating Officer	-	*	30	60	-	-	-	-	60	12	8	80
Remembrancer	-			139	-	1	-	-	140	-	19	159
Director of Markets & Consumer Protection	-	*	45	48	-	-	-	-	48	11	7	66
<b>Total</b>				1,306	-	1	101	55	1,463	268	185	1,916

\* These officers provide services for the City of London Corporation's local authority and non-local authority activities. The remuneration included in tables 2 and 3 above relates to the proportion charged to City's Estate activities. The annualised salary for each of these officers is shown in table 4



**Table 4 - Annualised Salaries**

Post Title	Annualised Salary 2024 £000	Annualised Salary 2023 £000
Town Clerk and Chief Executive (left Dec 22)	-	228
Town Clerk and Chief Executive (wef Feb 23)	228	40
Chamberlain	191	177
Comptroller & City Solicitor	216	200
City Surveyor	191	200
Remembrancer	157	146
Chief Operating Officer	180	200
Chief Strategy Officer	144	-
Chief People Officer	133	-
Director of Innovation and Growth	161	164
Director of Markets & Consumer Protection	120	107

## 5. Tax Status

The City of London Corporation is a single legal entity and legislation treats it as a local authority for tax purposes. City Re Limited, a wholly-owned subsidiary of the City of London Corporation in its City's Estate capacity, conforms to the tax requirements for Guernsey companies. Barking Power Limited and Thames Power Limited are both subject to Corporation Tax. Due to losses within the power station Group, tax payable in any given year is generally minimal. There was no tax charge recorded in the Accounts for the year-ended 31 March 2024 (2022/23: £1,357). This related to the unwinding of a historic accrued position held by Thames Power Limited.

## 6. Investment properties and other tangible fixed assets

	Land and Buildings				
	Investment Properties (a) £m	Freehold (b) £m	Plant & Machinery £m	Assets Under Const'n £m	Total £m
<b>Cost / Valuation</b>					
At 1 April 2023	1,917.7	317.5	71.5	43.1	2,349.8
Opening Adj	(0.1)	-	(5.6)	(0.2)	(5.9)
Additions	44.9	2.5	1.7	16.7	65.8
Revaluations	(55.1)	-	-	-	(55.1)
Disposals	(35.7)	(0.1)	(0.0)	-	(35.9)
Transfers	4.1	(1.6)	3.3	(5.8)	-
At 31 March 2024	<b>1,875.8</b>	<b>318.3</b>	<b>70.9</b>	<b>53.8</b>	<b>2,318.7</b>
<b>Depreciation</b>					
At 1 April 2023	-	(67.4)	(35.0)	-	(102.4)
Opening Adj	-	-	5.9	-	5.9
Charge for the year	-	(5.7)	(2.2)	-	(7.9)
At 31 March 2024	-	<b>(73.1)</b>	<b>(31.3)</b>	-	<b>(104.4)</b>
<b>Net book value</b>					
At 1 April 2023	1,917.7	250.1	36.5	43.1	2,247.4
At 31 March 2024	<b>1,875.8</b>	<b>245.2</b>	<b>39.6</b>	<b>53.8</b>	<b>2,214.3</b>
Leased assets included above:					
<b>Net book value</b>					
At 1 April 2023	15.3	-	-	-	15.3
At 31 March 2024	<b>15.3</b>	-	-	-	<b>15.3</b>

## Notes:

- a) The External valuers value investment properties annually as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (The Red Book).
- b) All other tangible fixed assets are valued at historic cost less depreciation on a straight-line basis to write off their costs over their estimated useful lives and less any provision for impairment. Freehold land and buildings include items acquired since April 2000 based on depreciated historic cost. Consequently, some of the significant City's Estate operational assets (e.g. Mansion House, Guildhall Complex, Schools and Markets) are included at nil cost as they were generally acquired well before April 2000 and their original acquisition costs are no longer available. Subsequent expenditure on these assets is capitalised in line with accounting policies.

## 7 Heritage assets

Heritage assets are those with historical, artistic, scientific, technological, geophysical, or environmental qualities which are maintained principally for their contribution to knowledge and culture. They are mainly held in trust for future generations.

Arising from its status and history, within its City's Estate fund, the City holds numerous heritage assets primarily open spaces, art and sculpture, prints, drawings, and statues.

The City Corporation manages 11,000 acres of historic and natural green spaces across London and beyond, including Hampstead Heath and Epping Forest. Some of the sites have been owned and managed since as far back as 1870, protecting them from development and preserving them as a natural resource. They include important wildlife habitats, Sites of Special Scientific Interest, National Nature Reserves and outdoor space for sport, recreation, and enjoyment for the public.

The art and sculpture collection are maintained as a collection of art treasures worthy of the capital and includes a range of paintings documenting London's

history. In addition, the City owns two heritage property assets, the Monument and Temple Bar, and two ancient copies of the Magna Carta.

For some of the heritage assets the cost of obtaining reliable valuations to recognise them on the Balance Sheet outweighs the benefit of such recognition to the users of the financial statements. Furthermore, many of the assets are irreplaceable and / or there is often no active market for their sale. For example, valuations are not readily available for the original acquisition of open spaces land and their associated buildings, Monument, Temple Bar, or the copies of the Magna Carta.

Nevertheless, the City's art and sculpture treasures, which represent the vast majority of the heritage assets, and open space land are recognised on the Consolidated Statement of Financial Position at a cost of £182.2m (2022/23: £182.0m) as shown in the table below. Due to policy, budgetary and legal constraints there have been no significant acquisitions or disposals in the last five years.

	2024 £m	2023 £m
<b>Cost (a)</b>		
At 1 April	182.0	181.8
(Write-off) / Additions / Valuations (b)	0.2	0.2
<b>Closing cost</b>	<b>182.2</b>	182.0
Comprising:		
Art and sculptures	181.2	180.9
Open spaces	1.1	1.1
<b>Total heritage assets</b>	<b>182.2</b>	182.0

## Notes:

- a) The art works are included at cost or, where cost cannot be readily identified, on the basis of available information as a proxy for cost. Such information includes art market intelligence in relation to similar works, insurance requirements and some individual valuations from independent experts.

Sculptures were valued at replacement cost by independent experts Gurr Johns Limited.

- b) The balance relates to revival work on open space of West Wickham and included at cost.

All expenditure on preservation and conservation is recognised in the Consolidated Statement of Comprehensive Income when it is incurred.

Catalogues are maintained for the heritage assets and most of them are available for public viewing. The statues and properties (the Monument and Temple Bar) can be seen and experienced from the public highway, treasures on display at the Guildhall Art Gallery can be visited by anyone free of charge and most of the other assets, sometimes held within restricted areas such as the Mansion House, can be viewed by publicly available organised tours or by appointment.

#### Non-property investment assets

Analysis of movement in non-property investment assets is shown in the following table. Further analysis of these investments is shown in note 11.

	2024 £m	2023 £m
<b>Long-term non-property investments</b>		
Total investments at 1 April	977.2	990.6
Add additions to investments at cost	123.0	140.6
Less disposals at market value	(221.9)	(147.3)
Less realised investments	3.7	(6.3)
Add (loss)/gain in fair value	104.5	(0.4)
<b>Investments at 31 March</b>	<b>986.5</b>	<b>977.2</b>
<b>Short-term non-property investments</b>		
Total investments at 1 April	60.7	184.1
Change in short-term deposits and money market funds*	(62.7)	(127.7)
Change in long term deposits	4.0	4.3
<b>Investments at 31 March</b>	<b>2.0</b>	<b>60.7</b>
<b>Total investments as at 31 March are analysed between long-term and short-term investments as follows:</b>		
Long-term	986.5	977.2
Short-term	2.0	60.7
<b>Total investments at 31 March</b>	<b>988.5</b>	<b>1,037.9</b>

\*Note: the £62.7m change in short-term deposits and money market funds in 2023/24 resulted largely from net investments during the year.

## 9. Intangible assets

	Technology systems £m	Goodwill £m	Total £m
<b>Cost / Valuation</b>			
At 1 April 2023	1.7	39.1	40.8
Additions / (disposals)	-	-	-
Transfers	-	-	-
<b>At 31 March 2024</b>	<b>1.7</b>	<b>39.1</b>	<b>40.8</b>
<b>Amortisation</b>			
At 1 April 2023	(1.6)	(15.7)	(17.3)
Charge for the year	(0.1)	(3.9)	(4.0)
<b>At 31 March 2024</b>	<b>(1.7)</b>	<b>(19.6)</b>	<b>(21.3)</b>
<b>Net book value</b>			
At 1 April 2023	0.1	23.4	23.5
<b>At 31 March 2024</b>	<b>0.0</b>	<b>19.5</b>	<b>19.5</b>

Technology systems:

During 2014/15, the City Corporation invested in an updated Oracle Business Intelligence system. This is recognised in the financial statements as an intangible asset on the basis of amortised historic cost at a value of £0.1m (2022/23: £0.1m).

- **Goodwill:**

On 14 December 2018, Barking Power Limited and Thames Power Services Limited were purchased by The Mayor and Commonalty and Citizens of the City of London for a total sum of £130.3m. Goodwill of £39.1m represented the excess of the cost of their acquisition over the net amount of its identified assets and liabilities. This is amortised at a rate of £3.9m per annum over 10 years, which is the maximum useful economic life of these assets under FRS102.

## 10. Debtors

	2024 £m	2023 £m
<b>Amounts falling due within one year</b>		
Sundry debtors	11.3	13.4
School fees	6.0	6.5
Prepayments and accrued income	6.5	4.2
Rental debtors	7.8	13.8
VAT	-	0.3
Accrued interest	0.0	1.1
<b>Current debtors</b>	<b>31.6</b>	<b>39.3</b>
<b>Amounts falling due after more than one year</b>		
Rental debtors	6.3	5.9
Finance lease debtor	1.5	1.5
<b>Long-term debtors</b>	<b>7.8</b>	<b>7.4</b>
<b>Total debtors</b>	<b>39.4</b>	<b>46.7</b>

## 11. Nature and extent of Risks arising from Financial Instruments

The activities of City's Estate expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due.
- Liquidity risk – the possibility that there might not be enough funds available to meet commitments to make payments.
- Market risk – the possibility that financial loss might arise as a result of changes in factors that affect the overall performance of financial markets such as interest rates, stock market movements and foreign exchange rates.

The City of London Corporation has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA)'s Treasury Management in the Public Service: Code of Practice. City Estate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risks to our financial strategy are managed by our central treasury team, under policies approved annually by the Court of Common Council in the Treasury Management Strategy Statement.

## Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. Deposits are only made with banks with a minimum Fitch (a leading credit rating agency) rating of long-term A and short-term F1 or are building societies with assets over £10bn (or which have a minimum credit rating score similar to that set for the banks). City's Estate also invests in Money Market Funds, which are subject to a minimum credit rating of AAA/mmf (Fitch) or equivalent.

The creditworthiness of the counterparties on the City's Estate lending list is carefully monitored. The lending list is reviewed on a regular basis using advice from credit rating agencies and in-house judgements based partially on credit default swap rates. Security of the investments is the prime criteria when selecting investments with liquidity and yield being secondary and tertiary considerations. The lending limits attributable to HSBC, Barclays, Goldman Sachs International Bank, National Westminster Bank/Royal Bank of Scotland and Santander UK were maintained at maximum lending limits of £100m each during 2023/24, and Lloyds Bank was fixed at £150m (Lloyds being the City of London Corporation's banker). The lending limit for the Nationwide Building Society is £100m. The maximum duration for such loans is fixed at three years. The lending limits for the Yorkshire, Coventry, Skipton and Leeds Building Societies were maintained at £20m each and the duration for such loans is fixed at 1 year. The list also contains twelve foreign banks with individual limits of £100m with a maximum loan duration of three years. The included foreign banks are Australia and New Zealand Banking Group, National Australia Bank, Bank of Montreal, Royal Bank of Canada, Toronto-Dominion Bank, Helaba Bank (formerly Landesbank Hessen-Thuringen Girozentrale), Cooperatieve Rabobank, DBS Bank, United Overseas Bank, Skandinaviska Enskilda Banken, Swedbank, and Svenska Handelsbanken. The lending list also includes five highly rated money market funds (Aberdeen Sterling Liquidity Class L1 Fund, CCLA, Deutsche Liquidity Fund, Federated Hermes Liquidity Fund, and Invesco); and three highly rated Ultra-Short Dated Bond Funds (Federated Hermes Sterling Liquidity Class L3 Plus Fund, Aberdeen GBP Liquidity Class L3 Fund and Payden Sterling Reserve Fund). The City Corporation will also lend to other UK local authorities with a limit of £25m to any individual authority.

The maximum exposure of City's Estate to credit risk in relation to its investments in banks, building societies, local authorities and money market funds cannot be assessed generally, as the risk of any institution failing to make interest payments or failing to repay the principal amount borrowed would be specific to each individual institution. No credit limits were exceeded during the reporting period and City's Estate does not expect any losses from non-performance by any counterparty in relation to outstanding deposits. As at 31 March 2024, City's Estate had £1.9m in money market funds and short-term cash investments with a maturity of less than 365 days (31 March 2023: £60.7m).

Ageing of debts covered by the Bad Debt Provision	31 March 2024 £m	31 March 2023 £m
Less than three months	0.2	0.5
Three to six months	0.2	0.3
Six months to one year	0.4	0.4
More than a year	1.4	1.9
<b>Total</b>	<b>2.2</b>	<b>3.1</b>



## Liquidity risk

Liquidity risk represents the risk that City's Estate will not be able to meet its financial obligations as they fall due. Officers monitor cash flows and take steps to ensure that there are adequate cash resources to meet commitments.

## Market risk (Interest rate risk)

City's Estate is exposed to significant risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on City's Estate. For instance, a rise in interest rates would have the following effects:

- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.
- investments at fixed rates – the fair value of the assets will fall.

Interest rate risk is managed within the parameters of the City Corporation's 2023/24 Treasury Management Strategy Statement. Officers have due regard for the prospects for interest rates and the Treasury Management Strategy draws together a number of forecasts for both short term (Bank Rate) and longer-term interest rates. The Treasury Management Strategy also places an upper limit for total principal sums invested for over 365 days.

## Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. City's Estate is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling). The following table summarises the position as at 31 March 2024 and uses data provided by the fund's custodian bank BNY Mellon.

Currency	Value	Change	Value	Value
	£m	%	on increase £m	on decrease £m
GBP	305.8	0.00%	305.7	305.7
EUR	424.5	2.41%	434.7	414.3
USD	133.2	1.29%	134.9	131.5
Other	125.0	1.74%	127.2	122.8
<b>Total non-property investments</b>	<b>988.5</b>	<b>-</b>	<b>1,002.5</b>	<b>974.3</b>

## Non-Property Investments (mainly pooled) and Private Equity Funds

These investments are actively managed by twenty-three main external fund managers who are charged with the responsibility to increase asset values, whilst maintaining market risk to acceptable levels. They achieve this mainly through diversification of stock portfolios across several geographical locations and various industrial sectors and asset classes. The managers' investing practices are controlled by pre-defined levels of tolerance. The City Corporation's Investment Committee oversees the monitoring and performance of City's Estate non-property investments and is responsible for the appointment of fund managers. Concentration risk is also controlled and monitored with a maximum proportion cap over the levels held in individual stocks as a set percentage of each manager's overall portfolio of stocks.

As part of each of the external fund managers' investing there is also a strict adherence to the principles of liquidity risk management to ensure cash flow requirements are met as and when they fall due.

All the investing policies and practices are reviewed regularly after thorough consideration of economic and market conditions, and overall care is taken to identify, manage and control exposure to the price movements of several categories of investments.

## Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the City of London Corporation's investment consultant Mercer Limited, the City of London Corporation has determined that the movements in market price risk set out in the table below are reasonably possible for the 2023/24 reporting period.

The potential price changes disclosed below are consistent with a multi-year one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

### Potential Market Movements

The potential movements for price risk based on the different asset classes are provided below.

Asset type	Change %
Global equities - developed markets (incl UK)	20.7%
Global equities - emerging markets	26.9%
Absolute return fixed income	10.9%
Diversified growth funds	13.1%
Multi asset credit	12.4%
Private equity	26.7%
Infrastructure	14.7%
<b>Total non-property investments</b>	<b>19.1%</b>

These percentages have been used to calculate the following potential increases / (decreases) in the value of investments.

## Financial assets and liabilities

Asset type	Value £m	Change %	Value on increase £m	Value on decrease £m
Global equities - developed markets (incl UK)	710.0	20.7%	857.0	563.0
Global equities - emerging markets	24.3	26.0%	30.6	18.0
Absolute return fixed income	39.3	10.9%	43.6	35.0
Diversified growth funds	108.4	13.1%	122.6	94.2
Multi asset credit	34.2	12.4%	38.4	30.0
Private equity	18.4	26.7%	23.3	13.5
Infrastructure	51.9	14.7%	59.5	44.3
Total Long-term non-property investments	<b>986.5</b>	<b>19.1%</b>	<b>1,175.0</b>	<b>798.0</b>
Short-term UK deposit and money market funds	2.0	0.0%	2.0	2.0
<b>Total non-property investments</b>	<b>988.5</b>		<b>1,177.0</b>	<b>800.0</b>

Financial assets held at fair value through the statement of comprehensive income are investment properties and non-property investments. They have been valued using unadjusted quoted prices in active markets for identical assets (level 1 inputs in the fair value hierarchy).

All other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

	2024 £m	2023 £m
Financial assets measured at fair value through profit and loss	<b>2,864.3</b>	2,955.6
Financial assets measured at amortised cost	<b>595.6</b>	611.1
Financial liabilities measured at amortised cost	<b>(686.9)</b>	(739.4)

## 12. Stocks of Finished Goods

A variety of purchased items are held in stock amounting to £0.4m (2022/23: £0.4m) to ensure responsive delivery of services, mainly relating to those provided at the City's open spaces, schools and ceremonial functions.

## 13. Creditors – amounts falling due within one year

	2024 £m	2023 £m
Sundry creditors	57.2	62.7
Rental income received in advance	16.5	18.4
Other receipts received in advance	13.3	6.3
VAT	0.8	0.0
Deferred income	0.5	0.4
<b>Total current creditors</b>	<b>88.3</b>	<b>87.7</b>

## 14. Deferred income

	2024 £m	2023 £m
<b>Amounts falling due within one year</b>	<b>0.5</b>	<b>0.4</b>
<b>Amounts falling due after more than one year</b>		
Due within two to five years	2.0	1.9
Due in more than five years	96.0	80.1
Long-term deferred income	98.0	82.0
<b>Total deferred income</b>	<b>98.5</b>	<b>82.4</b>

Premiums of £98.5m relating to eight operating leases were received from 2014/15 onwards. No new operating lease premium agreements were received in 2023/24. These premiums have been deferred in accordance with accounting policies note e) and are to be released over their lease terms.

## 15. Leases

### City's Estate as lessee – finance leases

One investment property agreement has been classified as a finance lease. Payments will be made over the term of the lease to meet the costs of the long-term liability and the finance costs payable. The minimum lease payments in relation to the lease are:

Net Present Value of Minimum Lease Payments	2024 £m	2023 £m
Not later than one year	-	-
Later than one year and not later than five years	0.1	0.1
Later than five years	2.3	2.3
<b>Total</b>	<b>2.4</b>	<b>2.4</b>

### City's Estate as lessor – finance leases

City's Estate has a gross investment in one finance lease relating to the minimum lease payment expected to be received over the remaining term of the lease. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessees and finance income that will be earned by City's Estate in future years whilst the debt remains outstanding. The gross investment is made up of the following amounts:

	2024 £m	2023 £m
Finance lease debtor (net present value of minimum lease payments) - non-current	1.5	1.5
Unearned finance income	2.1	2.1
<b>Gross investment in lease</b>	<b>3.6</b>	<b>3.6</b>

The gross investment in the lease and the minimum lease payments receivable will be received over the following periods:

	Gross Investment in Lease		Net Present Value of Minimum Lease	
	2024 £m	2023 £m	2024 £m	2023 £m
Later than one year and not later than five years	0.1	0.1	-	-
Later than five years	3.5	3.5	1.5	1.5
<b>Total</b>	<b>3.6</b>	<b>3.6</b>	<b>1.5</b>	<b>1.5</b>

The minimum lease payments receivables are calculated at the inception of the lease and do not take account of future events taking place after the lease was entered into, such as adjustments following rent reviews.

#### City's Estate as Lessor – Operating leases

Most of City's Estate investment properties are under operating lease. Under City's Estate operating leases, there are various ground leases that have terms beyond two thousand years. The minimum lease payment receivable for non-cancellable operating leases will be received over the following periods. Non-cancellable operating lease are where none of the parties have the right to terminate the lease:

	Net Present Value of Minimum Lease	
	2024 £m	2023 £m
No later than one year	60.0	58.1
Later than one year and not later than five years	183.9	187.5
Later than five years	1,405.6	1,406.5
<b>Total</b>	<b>1,649.5</b>	<b>1,652.1</b>

#### 16. Loans

	2024 £m	2023 £m
Long-term loan	449.0	449.0
<b>Loan balance at 31 March</b>	<b>449.0</b>	<b>449.0</b>

In August 2019, the City Corporation issued debt totalling £450m via private placement, of which £250m was received in September 2019 with the remaining £200m being received in July 2021.

The debt tenures, loan term and interest rates are set out in the below table. Interest payable is at a fixed rate for each tenure and is paid twice yearly. The principal of the loan is repaid at the end of the loan term. As part of the loan condition the City Corporation net debts to net assets (excluding pension liabilities) must not exceed 50%.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Loan term	25 years	30 years	35 years	40 years	45 years
Interest rate	2.36%	2.37%	2.32%	2.33%	2.34%
Loan amount	£50m	£105m	£95m	£115m	£85m

Interest expense in 2023/24 amounted to £10.5m (2022/23: £10.5m). In addition, there were transaction costs of £1.1m which have been capitalised to the loan account and shall be amortised over the life of the loans.

## 17. Provisions

	City Re £m	Power Station £m	Total £m
Opening balance	3.2	49.5	52.7
Movement in year	(0.4)	(26.1)	(26.5)
<b>Closing balance</b>	<b>2.8</b>	<b>23.4</b>	<b>26.2</b>

City Re Limited has set aside £2.8m (2022/23: £3.2m) for the settlement of known insurance claims at the balance sheet date. The estimate is based on a case-by-case assessment of each claim and takes into account previous claims experience.

Barking Power Limited has set aside a total provision of £23.4m. This includes:

- £3.6m (2022/23: £26.6m) for decommissioning expenses including the cost of power station demolition and decommissioning of the gas pipeline, cooling water system, overhead lines and other cessation expenses.
- A deferred taxation liability of £19.8m (2022/23: £23.0m) has been recognised, as required under FRS102, on the revaluation gain on the land held by Barking Power Limited. This is calculated using the corporation tax rate applicable to future profits (25%) and the revalued amount at the balance sheet date less the base cost and indexation relevant to the land.

## 18. Pensions

### City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating to its three funds (i.e. City Fund, City's Estate and City Bridge Foundation). The assets of the scheme are held in a specific trust separately from those of the City Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund that relates to City's Estate is not separately identifiable, the share of pension contributions paid to the scheme by City's Estate

is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme.

The table below shows the total pension deficit for the City of London Pension Fund recorded on the Consolidated Statement of Financial Position of £23.0m (2022/23: £65.6m).

Pension scheme liabilities	2024 £m	2023 £m
City of London Pension Fund	23.0	65.6
<b>Total pension scheme liabilities</b>	<b>23.0</b>	<b>65.6</b>

### Teachers' Pension Scheme (TPS)

In addition to City of London Corporation employees being able to participate in the City of London Pension Fund, teachers at the City of London Corporation's independent schools are eligible to participate in the Teachers' Pension Scheme. Whilst this is a defined benefit scheme, accounting standards allow for this scheme to be accounted for on a defined contribution basis as it is not possible to identify the assets and liabilities at an individual employer level. Accordingly, the Teacher's Pension Scheme has been accounted for on a defined contribution basis in the City's Estate Accounts.

### Accounting for The City of London Pension Fund under IAS19

The actuarial valuation of the defined benefit scheme was updated at 31 March 2022, by Barnett Waddingham, an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with City Fund requirements, rather than FRS102, with no material differences between the two accounting standards identified. The triennial actuarial valuation assessment of the Scheme was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026.



At 31 March 2024, the City's Estate share of the Scheme net pension liability was £23.0m (2022/23: £65.6m). City's Estate share of the market value of the Schemes' assets was £633.1m (2022/23: £581.3m).

The estimated amount of total employer contributions expected to be paid to the scheme by City's Estate during the year to 31 March 2024 is £16.9m (actual for year to 31 March 2023: £15.9m). This figure is calculated pro-rata to total contributions that will be payable by the City of London Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

### (a) Major assumptions by the actuary

#### Financial assumptions

The financial assumptions used for the purposes of the IAS19 calculations are as follows:

Assumptions as at 31 March - per annum	2024	2023	2022
RPI increases	3.2%	3.3%	4.3%
CPI increases	2.9%	2.9%	3.3%
Salary increases	3.9%	3.9%	4.3%
Pension increases	2.9%	2.9%	3.3%
Discount rate	4.9%	4.8%	2.6%

#### Life expectancy

The following table reflects the change in the mortality tables used for the 31 March 2024 valuation and allowance is made for the expected decline in future life expectancy:

Assumed life expectancy from age 65 years	Sex	2024	2023
Age 65 retiring today	Male	<b>20.8</b>	21.1
Age 65 retiring today	Female	<b>23.3</b>	23.5
Retiring in 20 years	Male	<b>22.0</b>	22.3
Retiring in 20 years	Female	<b>24.7</b>	25.0

### (b) Amounts included in the Consolidated Statement of Financial Position

The amounts included in the City's Estate Consolidated Statement of Financial Position (CSoFP) arising from the City of London Corporation Pension Fund's liabilities in respect of the defined benefit scheme for the current and previous period are as follows:

Net Pension Asset	2024		2023	
	CE £m	CoL £m	CE £m	CoL £m
Funded liability present value	(654.7)	(1,423.2)	(645.3)	(1,402.8)
Fair value of fund assets (bid)	633.2	1,376.4	581.3	1,263.6
<b>Net liability</b>	<b>(21.5)</b>	<b>(46.8)</b>	<b>(64.0)</b>	<b>(139.2)</b>
Unfunded liability present value	(1.5)	(3.2)	(1.6)	(3.5)
<b>Net liability on CSoFP</b>	<b>(23.0)</b>	<b>(50.0)</b>	<b>(65.6)</b>	<b>(142.7)</b>

Note: CE – City's Estate (consolidated), CoL – City of London (Corporation)

The total net pension fund liability shown on the Consolidated Statement of Financial Position is £23.0m (2022/23: £65.6m). The City's Estate share of the net defined benefit pension scheme liability represents 46% (2023: 46%) of the total net balance sheet liability in the City of London Corporation Pension Fund Financial Statements. The calculation of this percentage is detailed in the first paragraph of the note and in note (t) of the accounting policy.

### (c) Amounts recognised in the Consolidated Statement of Comprehensive Income

	2024 £m	2023 £m
Current service cost	(14.0)	(31.9)
Administration cost	(0.5)	(0.5)
Losses on settlements and curtailments	(0.5)	(1.6)
Employer contributions	16.9	15.9
Unfunded pension payments	0.2	0.2
Return on pension scheme assets	27.3	15.2
Interest on pension scheme liabilities	(30.0)	(24.1)
<b>Net pension scheme costs</b>	<b>(0.6)</b>	<b>(26.8)</b>
Actual return less expected return on pension scheme assets	25.2	(18.4)
Experience gain / (losses)	(2.0)	(76.6)
Change in demographic assumptions	-	-
Changes in assumptions underlying the present value of liabilities	20.0	405.2
Other actuarial gains		-
<b>Actuarial gains recognised in the CSoCI</b>	<b>43.2</b>	<b>310.2</b>
<b>Net charge to the CSoCI</b>	<b>42.6</b>	<b>283.4</b>

Note: CSoCI - Consolidated Statement of Comprehensive Income

#### (d) Asset allocation

The allocation of the scheme's assets at 31 March is as follows:

Employer asset share - bid value	2024		2023	
	£m	Per annum	£m	Per annum
Equities	353.0	55.8%	341.0	58.7%
Cash	5.5	0.9%	4.2	0.7%
Infrastructure	83.3	13.2%	77.6	13.3%
Absolute Return Portfolio	101.3	16.0%	158.5	27.3%
Bonds	90.1	14.1%	-	0.0%
<b>Total assets</b>	<b>633.1</b>	<b>100.0%</b>	<b>581.3</b>	<b>100.0%</b>

#### (e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

Reconciliation of opening and closing balances of the present value of the defined benefit liability	2024 £m	2023 £m
Opening defined benefit liability	(646.9)	(935.3)
Current service cost	(14.0)	(31.9)
Interest cost	(30.6)	(24.1)
Experience loss / (gain) on defined benefit obligation	(2.0)	(76.6)
Change in demographic assumptions	9.0	-
Change in financial assumptions	11.0	405.0
Losses on curtailments	(0.6)	(1.6)
Liabilities extinguished on settlements	(1.0)	-
Estimated benefits paid net of transfers in	24.6	22.7
Contributions by scheme participants	(5.9)	(5.3)
Unfunded pension payments	0.2	0.2
<b>Closing defined benefit liability</b>	<b>(656.2)</b>	<b>(646.9)</b>

#### (f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

Reconciliation of net defined benefit liability	2024 £m	2023 £m
Deficit at the beginning of the year	(65.6)	(349.0)
Current service cost	(14.0)	(31.9)
Net interest	(2.7)	(8.9)
Settlements and curtailments	(0.5)	(1.6)
Other finance expenses	(0.5)	(0.5)
Employers contributions	16.9	15.9
Unfunded pension payments	0.2	0.2
Actuarial gains	43.2	310.2
<b>Deficit at the end of the year</b>	<b>(23.0)</b>	<b>(65.6)</b>

#### (g) Movement in the present value of scheme asset

Changes in the fair value of the scheme assets over the year are as follows:

Reconciliation of opening and closing balances of the fair value of scheme assets	2024 £m	2023 £m
Opening fair value of scheme assets	581.3	586.4
Interest on assets	27.9	15.2
Return on assets less interest	25.2	(18.4)
Actuarial losses	-	-
Administration expenses	(0.5)	(0.5)
Contributions by employer including unfunded	17.1	16.1
Contributions by scheme participants	5.9	5.3
Estimated benefits paid net of transfers in and including unfunded	(24.8)	(22.9)
Settlement prices paid	1.0	-
<b>Closing value of scheme assets at end of period</b>	<b>633.1</b>	<b>581.3</b>

#### Changes in assumptions

£69.0m In 2023/24, there has been a slight change in financial and demographic assumptions resulting in a net £20.0m decrease in the overall pension liability. The financial assumptions change was primarily made up of an increase in discount rate in year. The change in demographic assumption is based on the latest version of the Continuous Mortality Investigation Bureau (CMI) model which represents a change from prior year. The model incorporates the latest mortality data in the national population.

#### (h) Historical information – Amounts for the current and previous periods

The following City's Estate share of pension liabilities for 2020-2024 have been recognised under the "Actuarial gains and losses on defined benefit pension scheme" heading within the Consolidated Statement of Comprehensive Income:

The cumulative gains and losses in the table above start from 1 April 2005.

	2024 £m	2023 £m	2022 Revised £m	2022 Original £m	2021 £m	2020 £m
Present value of defined benefit liability	(656.1)	(646.9)	(935.4)	(966.2)	(723.4)	(747.4)
Fair value of scheme assets	633.1	581.3	586.4	583.2	431.0	455.6
<b>Deficit in the scheme</b>	<b>(23.0)</b>	<b>(65.6)</b>	<b>(349.0)</b>	<b>(383.0)</b>	<b>(292.4)</b>	<b>(291.8)</b>
Experience adjustments on scheme liabilities	2.0	76.6	0.6	2.0	9.5	(37.3)
Percentage of scheme liabilities	(0.3%)	(11.8%)	(0.1%)	(0.2%)	(1.0%)	3.8%
Experience adjustments on scheme assets	(25.2)	(18.4)	26.4	26.4	107.3	(26.4)
Percentage of scheme assets	(4.0%)	(3.2%)	4.5%	4.5%	19.7%	(4.8%)
<b>Cumulative actuarial gains and losses</b>	<b>261.7</b>	<b>227.5</b>	<b>(82.7)</b>	<b>(82.7)</b>	<b>(158.5)</b>	<b>(61.4)</b>

#### (i) Sensitivity analysis

The below table listed City's Estate share of the impact on its pension liabilities as a result of changing in key assumptions whilst holding other assumptions constant.

Note: PV – present value

		£m	£m	£m
		0.1%	0.0%	-0.1%
Adjustment to discount rate	PV of total liability	645.7	656.2	666.8
	Projected service cost	12.8	13.3	13.8
Adjustment to long-term	PV of total liability	656.8	656.2	655.4
	Projected service cost	13.3	13.3	13.3
Adjustment to pension	PV of total liability	666.2	656.2	646.3
	Projected service cost	13.8	13.3	12.8
		<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
Adjustment to mortality age	PV of total liability	681.5	656.1	631.8
	Projected service cost	13.8	13.3	12.8

**(j) Projected pension expense for the year to 31 March 2024**

The below table show City's Estate share of projected pension expenses. No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Projected Year to 31 March 2025 £m	Projected Year to 31 March 2024 £m
Service cost	13.0	12.6
Net interest on the defined liability	0.7	2.8
Administration expenses	0.5	0.5
<b>Total expense</b>	<b>14.2</b>	<b>15.9</b>
<b>Employer contributions</b>	<b>16.8</b>	<b>15.1</b>

## 19. Capital and Reserves

	Balance at 1 April 2023 £m	Additions / income £m	Disposals / expenditure £m	Depreciation / amortisation £m	Unrealised Gains / (Losses) £m	Transfers £m	Balance at 31 March 2024 £m
Operational Capital	329.8	15.1	(0.2)	(2.1)	-	(4.1)	338.5
Heritage Assets Reserve	182.0	0.2	-	-	-	-	182.2
Income Generating Fund:							
Investment Properties	418.7	44.9	-	(3.9)	-	4.1	463.8
Non-Property Investments	1,037.9	64.3	(218.2)	-	104.5	-	988.5
Revaluation Reserve - Investment Properties	1,522.4	-	(35.8)	-	(55.1)	-	1,431.5
Income Generating Fund	2,979.0	109.2	(254.0)	(3.9)	49.4	4.1	2,883.8
Working Capital Fund	(148.9)	-	(10.6)	-	-	-	(159.5)
Loan Fund	(449.0)	-	-	-	-	-	(449.0)
Pension Reserve	(65.6)	(0.6)	-	-	43.2	-	(23.0)
<b>Total Capital and Reserves</b>	<b>2,827.3</b>	<b>123.9</b>	<b>(264.8)</b>	<b>(6.0)</b>	<b>92.6</b>	<b>-</b>	<b>2,773.0</b>

Notes to capital and reserves:

- Operational Capital – reflects the operational assets from the Statement of Financial Position.
- Heritage Asset Reserve – reflects the heritage assets from the Statement of Financial Position.
- Income Generating Fund – comprises the asset values of investment properties and non-property investment assets, which generate the income to fund City's Estate activities and services.
- Working Capital Fund – reflects the net current assets, long-term debtors and provisions for liabilities and finance leases from the Statement of Financial Position.
- Loan Fund – reflects the long-term loans from the Statement of Financial Position.

- The City of London Corporation manages and funds ten registered charities (listed on page 13) which are consolidated within City's Estate accounts. Total funds of the charities amount to £71.3m (2022/23: £66.3m), comprising unrestricted funds of £30.3m (2022/23: £30.0m), restricted funds of £2.0m (2022/23: £1.3m) and endowment funds of £39.0m (2022/23: £35.0m). Restricted and endowed funds include income that is subject to specific restrictions imposed by the donor. These funds are included as part of working capital funds reserves, however £39.0m of the endowment funds have been classified as income generating fund – non-property investments reserves. Further details can be found in the separately published accounts of each charity, which are filed with the Charity Commission and can be viewed at: <https://www.gov.uk/government/organisations/charity-commission>.



## 20. Notes to the consolidated statement of cash flows

### (a) Reconciliation of operating surplus to net cash flow provided by / (used in) operating activities

	2023/24	2022/23
	£m	£m
<b>Operating (deficit) / surplus for the reporting period</b>	<b>(94.2)</b>	<b>(335.3)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	11.9	12.2
Net pension scheme costs	0.6	26.8
Losses / (gains) on property investments	55.1	216.3
(Gains) on non-property investments	(108.5)	(3.9)
Net dividends, interest and rents from investments	(79.3)	(66.0)
Decrease in debtors	7.3	6.0
Increase in creditors falling due within one year	0.6	6.8
Release of deferred income	16.0	(0.4)
Increase / (decrease) in provision	(23.3)	5.4
<b>Net cash used in operating activities</b>	<b>(213.9)</b>	<b>(132.1)</b>

### (b) Cash flows from financing activities

	2024	2023
	£m	£m
Loan interest and transaction costs	(10.5)	(10.5)
<b>Total</b>	<b>(10.5)</b>	<b>(10.5)</b>

### (c) Analysis of changes in net debt activities

	At 1 Apr 2023	Cash flows	At 31 Mar 2024
	£m	£m	£m
<b>Cash and cash equivalents</b>	28.8	(13.2)	15.6
<b>Borrowings</b>			
Debts due after one year	(449.0)	-	(449.0)
Finance Leases	(2.4)	-	(2.4)
<b>Total net debt</b>	<b>(422.6)</b>	<b>(13.2)</b>	<b>(435.8)</b>

## 21. Financial commitments

The material contractual capital commitments are as follows:

	Consolidated	
	2024	2023
	£m	£m
Contracted for but not provided for contract commitments (a)	3.5	22.3
<b>Total</b>	<b>3.5</b>	<b>22.3</b>

Notes:

- City's Estate has a contractual commitment of £3.5m for the Guildhall West Wing Space Cooling project to replace the chiller and cooling tower.
- City's Estate has no material commitments under operating leases.
- The City Corporation has agreed a £50.0m contribution to Crossrail from City's Estate subject to the completion of the works; the exact payment date has yet to be agreed. The agreement with Crossrail is an executory contract and therefore outside the scope of FRS102. An executory contract is a contract under which neither party has performed any obligations or both parties have partially performed their obligations to an equal extent.

## 22. Related party transactions

All Members of the Committees governing funds and activities consolidated into City's Estate are appointed by the City Corporation to act on its behalf. The City Corporation also employs all staff. The costs of those staff employed directly on City's Estate activities are allocated to those activities accordingly. City's Estate is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over its funds and activities or be controlled or influenced by it.

The City Corporation provides support services for the activities undertaken by each of its funds. These support services include management, surveying, financial, banking, legal and administrative services. Where possible support service costs are allocated directly to the funds concerned. For those costs that cannot be directly allocated, apportionments are made between the City Corporation's funds on the basis of time spent. Premises costs are apportioned on the basis of areas occupied by services.

With regard to banking services, the City Corporation allocates all transactions to City's Estate at cost and credits or charges interest at a commercial rate.

The City Corporation also provides the above services to a number of charities. The cost of these services is borne by City's Estate in relation to most of these charities. A list of charities managed by the City Corporation is available on request from the Chamberlain by email: [CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk).

City's Estate initially bears the full costs of corporate capital projects with the City's other funds, City Fund and City Bridge Foundation, reimbursing their shares of expenditure in the years in which costs are accrued. Transactions are undertaken by City's Estate on a normal commercial basis in compliance with the City's procedures irrespective of any possible interests.

As a matter of policy and procedure, the City of London Corporation ensures that Members and officers do not exercise control over decisions in which they have an interest.

### Standing Orders

The City of London has adopted the following Standing Order in relation to declarations of personal and beneficial interests:

"If a matter for decision is under consideration by the Court, or any Committee thereof, in which a Member has a personal interest, he must declare the existence and nature of his interest in accordance with the Code of Conduct."

### Disclosure

Members are required to disclose their interests and these can be viewed online at: <http://democracy.cityoflondon.gov.uk/mgMemberIndex.aspx?bcr=1>. Members and Chief Officers have been requested to disclose related party transactions of £10,000 or more, including instances where their close family has made transactions with City's Estate.

Disclosures relate to both 2023/24 and 2022/23 unless otherwise stated.

During 2023/24 the following transactions have been disclosed. This is where Members held positions of control or significant influence in related parties to City's Estate are:

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
Buckinghamshire Council	A Member was an Elected Member in the Council and another Member was an appointee for the South East Employers' Council	(340)	-	Grant received by City's Estate
		19	-	Council Tax Paid to Buckinghamshire Council by City's Estate
Christ's Hospital	Eight Members were nominated by the City Corporation to the Council of Christ's Hospital, two members are Governors on the Board and one Member was a Director	81	80	Annual Grant paid by City's Estate
City & Guilds London	The City Corporation nominated four Members to the City & Guilds London Institute, which leases premises for which rent and service charges were receive	(77)	(179)	Rent and service charges received by City's Estate
City of London Academy Hackney	One Member was the Chair of the Board of Governors of the City of London Academy Hackney	247	-	Grant funding paid by City's Estate
City of London Academy Shoreditch Park	A Member was a Director at City of London Academy Shoreditch Park	203	129	Grant funding paid by City's Estate
City of London Academies Trust	The City Corporation nominated 9 Members to various committees of the City of London Academies Trust and 3 Members are Directors on the Board of the Trust.	99	488	Grant funding paid by City's Estate
City of London Reserve Forces & Cadets Association	One Member was an Executive Committee member, one Member was a Director and The City Corporation nominated two Members to the City of London Reserve Forces & Cadets Association	42	49	Grant funding paid by City's Estate
DLA Piper UK LLP	A member was a consultant to DLA Piper UK LLP, another member was an equity partner	-	(39)	Venue hire charge paid to City's Estate
Edward Price and Partner Limited	A Member was a director of Edward Price and Partner Limited	(82)	-	Rent and service charges received by City's Estate

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
The Fishmongers' Company (also known as Worshipful Company of Fishmongers)	A Member was a Member of the company and two Members were Liverymen	31/(3)	-	Hire fees paid to City's Estate and compensation payment made by City's Estate
G Lawrence Wholesale Meats LTD	A Member was a shareholder and Director and his son was the Managing Director	(135)	(182)	Rent and service charges received by City's Estate
George Abrahams Group	A Member is the Managing Director	(142)	(267)	Rent and service charges received by City's Estate
Gresham College Council	The City Corporation nominated four Members to the Gresham College Council and four other members are members of the council	784	405	Grant funding received from City's Estate
Guild Church Council of St. Lawrence Jewry	The City Corporation nominated five Members to the Guild Church Council of St. Lawrence Jewry, two Members were Church wardens and one Member sits on the council	123	108	Grant funding received from City's Estate
Guild School Trust	A Member was a Trustee	23	-	Deferred Grant funding received from City's Estate
Institute of Chartered Accountants of England & Wales	Two Members were committee members of ICAEW	(11)	-	Venue hire charge paid to City's Estate
Keltbray Limited	A Member was a consultant to Keltbray Limited	(23)	-	Rent charges received by City's Estate
The Honourable The Irish Society	Fifteen Members were nominated by the City Corporation and sit as part of the governance structure of The Honourable The Irish Society and one Member is a Co-Opted member	30	30	Grant funding paid by City's Estate
King Edward's School Witley	A Member was a Governor of the school and two other members were on the school court	169	716	Grant funding received from City's Estate
London Council LTD	A Member was a Director	(567)	(1,353)	Rent received by City's Estate
London Metropolitan University	A Member was the Chair	-	(3,520)	Rent and Hire Fees received by City's Estate
Market Provisions (Smithfield) LTD	A Member was the Managing Director	(45)	(87)	Rent and service charges received by City's Estate
Village Pork (Smithfield) Limited	A Member was a Director	(26)	-	Rent and service charges received by City's Estate

Related party (continued)	Connected party (continued)	2023/24 £000	2022/23 £000	Detail of transaction (continued)
Lord Mayor's Appeal Trading Company	A Member was a Director and a Trustee	(18)	-	Venue Hire fees received by City's Estate
Lord Mayor's Show Limited	Seven Members and a Chief Officer were directors of the Lord Mayor's Show Ltd	-	209	Payments from City's Estate for support towards the Lord Mayor's Show
Museum of London	One member appointed as a Member of the Board of Governors and the City Corporation nominated three Members to the Museum of London	-	258 / (63)	Grant funding received from City's Estate; Income to City's Estate for services rendered
Pension Insurance Corporation	A Member was a Shareholder	-	1,053	CC PP Borrowing Interest
Phoenix Group Holdings Plc	A Member was a Chairman and Shareholder (on Sabbatical until 01/12/2023)	-	(140)	Rent and service charges received by City's Estate
P J Martinelli LTD	A Member's spouse was a shareholder in the Limited Company	(274)	(445)	Rent and service charges received by City's Estate
The Royal Society of St George	A Member was a Council member	-	(140)	Rent and service charges received by City's Estate

The following transactions have been disclosed where Members have declared an interest in parties that have transactions with City's Estate during 2023/24.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
CBRE Limited	A Member was employed by the company	150	-	Payments from City's Estate for professional services
City of London Academy Islington	A Member was employed by the Academy	(17)	-	Payments received by City's Estate for services provided
		261	-	Grants paid to the Adcademy by City's Estate
Gardiner & Theobold	A Member was employed by the company as property adviser to the Gidlers company for which rent was received	-	(2,377)	Rent and service charges received by City's Estate
London Borough of Islington	A Member was employed by the Council	(436)	-	Grant received by City's Estate as well as provision of services
		218	-	Payment of NNDR by City's Estate to LB of Islington
Phillips & Leigh	A Member's spouse was a practice manager at Phillips & Leigh	-	(28)	Rent and service charges received by City's Estate
Royal Opera House	A Member was a Friend of the Royal Opera House	(14)	-	Venue Hire fees received by City's Estate
City of London School Bursary and Awards Fund	The City of London is the sole Trustee of the Charity	(7)	(6)	Payments received by City's Estates for support costs
City of London School for Girls Bursary Fund	The City of London is the sole Trustee of the Charity	146	110	Match-funding paid by City's Estate
		(38)	(35)	Payments received by City's Estate for support costs
City of London Freeman's School Bursary Fund	The City of London is the sole Trustee of the Charity	35	29	Match-funding paid by City's Estate
		(8)	(10)	Payments received by City's Estate for support costs
Charities Administered in Connection with the City of London Freeman's School	The City of London is the sole Trustee of the Charity	4	2	Payments received by City's Estate for support costs



**23. Contingent Liabilities**

City's Estate notes contingent liabilities in relation to its fully consolidated subsidiary, Barking Power Limited. The company has obligations to landowners under the terms of land ownership of the site formerly occupied by Barking Reach Power Station. These obligations include off-site infrastructure remediation, subject to the intention to develop and granting of planning permission to applicable landowners. The existence and timing of these liabilities is uncertain because they depend on the future actions of external landowners and planning authorities. The value of the liabilities cannot be reliably estimated because of the number of landowners and uncertainty associated with the scope and timing of any future off-site infrastructure remediation works.

**24. Post Balance Sheet Events**

There are no material post balance sheet events.

**25. Approval of the Financial Statements**

The City's Estate Accounts were approved for issue by the Chamberlain on XX October 2024. Events after the balance sheet date and up to XX October 2024 have been considered in respect of a material effect on the financial statements. Events taking place after this date are not reflected in the financial statements or notes.





**Further Information**



**City Bridge Foundation (formerly Bridge House Estates)** – The City Corporation is the sole trustee of City Bridge Foundation, a 900-year old charity which owns and manages five Thames crossings - Tower, London, Southwark, Millennium and Blackfriars Bridges- at zero cost to the taxpayer. The funding arm of City Bridge Foundation distributes funds surplus to bridge requirements and is London's largest independent charitable funder, awarding funding of over £30 million a year to charities across the capital. The maintenance and replacement of these bridges remains the prime objective of this long-standing charity.

**City Fund** – This Fund meets the cost of the City of London's local authority, police authority and port health authority activities. The Fund generates rental and interest income to help finance these activities. In addition, in common with other local authorities, it receives grants from central government, a share of business rates income and the proceeds of the local council tax.

**Creditors** – Individuals or organisations to which City's Estate owes money at the end of the financial year.

**Current asset** – An asset which will be consumed or cease to have value within the next accounting period; examples are stock and debtors.

**Curtailement (pensions)** – For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Curtailements include:

- a) Termination of employees' services earlier than expected, for example as a result of discontinuing an activity.
- b) Termination of, or amendment to, the terms of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

**Debtors** – Individuals or organisations that owe City's Estate money at the end of the financial year.

**Deferred income** – Money received for goods / services which have not yet been delivered.

**Defined benefit scheme** – A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

**Defined contribution scheme** – A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and has no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**Depreciation** – The loss in value of an asset due to age, wear and tear, deterioration or obsolescence.

**Expected returns on pensions assets** – For a funded defined benefit scheme, the average return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

**Fair value** – Fair value is generally defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

**Finance lease** – A contract or part of a contract that conveys the right to control the use of an asset for a period of time in exchange for consideration.

**Goodwill** – The purchase goodwill is gain from the land value of the power station sites, which has unlimited useful economic life, FRS102 require this kind of goodwill to be amortised over 10 years, which is the maximum useful economic life of these assets under FRS102.

**Heritage assets** – A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

**Impairment** – A reduction in the value of an asset below its carrying amount on the balance sheet.

**Income Generating Fund** – comprises the asset values of investment properties and non-property investment assets, which generate the income to fund City's Estate activities and services.

**Intangible assets** – A non-physical item where access to future economic benefits is controlled by the local authority. An example is computer software.

**Investment properties** – Interest in land or buildings that are held for investment potential.

**Local Government Pension Scheme (LGPS)** – this is one of the largest pension schemes in the UK. The City of London Corporation's defined benefit pension scheme for non-teaching staff is part of the LGPS.

**Net realisable value** – The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

**Operational Capital** – Reflects the Statement of financial position for operational assets.

**Past service cost (pensions)** – For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

**Projected unit method** – An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases.
- b) The accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

**Provision** – An amount set aside in the accounts for liabilities of uncertain timing or amount that have been incurred. Provisions are made when:

- a) The City of London has a present obligation (legal or constructive) as a result of a past event.
- b) It is probable that a transfer of economic benefits will be required to settle the obligation.
- c) A reliable estimate can be made of the amount of the obligation.

**Revaluation Reserve** – Represents increases in valuations of assets since 1 April less amounts written off due to the 'additional depreciation' (including impairment due to consumption of economic benefit) arising because property, plant and equipment are carried at a revalued amount rather than historic cost. It can also include reductions in values to investment properties where the reductions are not considered to be permanent.

**Revenue expenditure** – The day to day running costs relating to the accounting period irrespective of whether or not the amounts due have been paid. Examples are salaries, wages, repairs, maintenance and supplies.

**Scheme liabilities** – The liabilities of a defined benefits pension scheme for outgoing due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

**Working Capital Fund** – Reflects the Statement of Financial Position for net current assets, long-term debtors and provisions for liabilities and finance leases.



Ashtead Common

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 1051510



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## ORIGINS OF THE CHARITY

Ashtead Common is a 200-hectare nature reserve, home to over 1,000 living ancient oak pollards. Its natural and cultural heritage are of national importance, the legacy of centuries of interaction between people and the environment.

### **Acquisition**

Ashtead Common was acquired in 1991 under the Corporation of London (Open Spaces) Act 1878 which requires it to be preserved for the recreation and enjoyment of the public.

The Ashtead Common Charity was registered in 1995.

### **Protected rights and designations**

Ashtead Common was registered as a common in 1968 (register unit number CL 280). An entry was made in the Register of Common Land in 1970 to record rights in common held by the private owners of Newton Wood. These include rights of access, right of pasture for four cattle, estovers (collection of fallen branches or bracken) and turbary (turf or peat). In conjunction with Epsom Common, much of Ashtead Common (180 hectares) was designated as a Site of Special Scientific Interest (SSSI) in 1955 for its diversity of habitat, rare invertebrates (particularly decaying wood specialists, flies and butterflies) and rich community of breeding birds. Woodfield (8 hectares) was not included but was later designated as a Site of Nature Conservation Importance for species diversity with rare species present. The area designated as a National Nature Reserve (NNR) on September 26<sup>th</sup> 1995 follows the SSSI boundary, so it too is 180 hectares in size. As well as Woodfield, the other notable exclusions include the City owned land south of the railway line (sometimes called Howards or Craddocks Wood), and a thin strip adjacent to the railway line between the Woodlands Road entrance and Bridleway 38. Ashtead Common was registered as a charity on December 19<sup>th</sup>, 1995.

### **Community involvement and visitors**

The City of London adopted aspects of the Community Woodland model when it acquired Ashtead Common in 1991, and the local community has been an integral part of the Commons' management ever since. Primarily it is through practical conservation volunteering that the local community is involved. Much of the work to manage the Common is directly undertaken by the local community itself.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The Governing Document is the Corporation of London (Open Spaces) Act 1878. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of the Ashtead Common charity. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Elected Aldermen and Members of the City of London Corporation are appointed to the Epping Forest and Commons Committee governing Ashtead Common by the Court of Common Council of the City of London Corporation.

Members of the Court of Common Council are unpaid for support provided to the Charity and are elected by the electorate of the City of London. The key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Epping Forest and Commons Committee** - responsible for the activities undertaken at Ashtead Common and approving budget allocations for the forthcoming year.

All of the above committees are ultimately responsible to the Court of Common Council. Committee meetings are held at the Trustee's discretion in public (except where it is not considered in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over its activities. City's Estate, which was renamed from City's Cash during 2023/24, is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under

statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The Trustee believes that good governance is fundamental to the success of the charity. An initial review of governance has been undertaken to ensure that the charity is effective in fulfilling its objectives and more detailed work is underway as part of a corporate review of the open space charities of which the City Corporation is the trustee; the review will report to the relevant City Corporation committees on initial conclusions in December 2024. Reference is made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 25.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's restructure, the Open Spaces Department merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department. Ashtead Common became part of the Environment Department from 1 April 2022.

## **INDUCTION AND TRAINING OF MEMBERS AND COMMITTEE MEMBERS**

The City Corporation makes seminars and briefings on various aspects of its activities, including those concerning the charity, available to its Members and others serving on committees which are involved with the charity, to enable them to carry out their duties efficiently and effectively. If suitable seminars or other training options are identified that are relevant to the charity, Members and other committee members are advised of these opportunities.

## OBJECTIVES AND ACTIVITIES

The objective of the charity is the preservation in perpetuity of the common at Ashtead as an open space for the recreation and enjoyment of the public.

Purposes of the charity as set out in the governing document, the Corporation of London (Open Spaces) Act 1878:

- Ashtead Common to be kept as open space for public recreation.
- Natural aspect to be preserved.
- Protect the timber and other trees, pollards, shrubs, underwood and herbage.
- Land to be unenclosed and unbuilt upon, except those features required for better attainment of the Act and deemed necessary by the City.
- Encroachments to be resisted and abated.

Main activities undertaken in relation to these purposes:

- Practical conservation management activities to maintain the biodiversity of Ashtead Common, such as tree surgery work on the veteran oak pollards, bracken suppression and management of firebreaks, scrub, grassland and wetland habitats.
- Providing volunteering opportunities to encourage community involvement.
- Providing and maintaining facilities for informal recreation.
- Grazing with cattle.
- Protecting Ashtead Common and its users from harm by patrolling, enforcing byelaws as appropriate, resisting encroachments, addressing threats and managing assets.
- Providing educational activities and events.
- Surveying and monitoring, for wildlife, visitor use, archaeological investigations and pollution monitoring.
- Managing and protecting Scheduled Monuments, including a Roman villa and tileworks.
- Managing and creating watercourses and water management systems.

Ashtead Common's natural and cultural heritage are of national importance, the legacy of centuries of interaction between people and the environment. As we progress through the 2020's and beyond the challenge of protecting this valuable resource will increase as pressures from environmental and human factors mount.

### Aims of the charity

- Maintain the biodiversity of Ashtead Common by managing habitats to favourable condition and achieving conservation gains that benefit the site and beyond.  
*Governing document link: preserve natural aspect, protect the timber and other trees, pollards, shrubs, underwood and herbage.*
- Encourage the sustainable use of Ashtead Common for recreation and promote community involvement in all aspects of the site.  
*Governing document link: commons acquired by the City to be kept as open spaces for the recreation and enjoyment of the public*
- Protect Ashtead Common and its users from harm. Address threats and maintain assets, including heritage assets, in good condition.

*Governing document link: open spaces kept unenclosed and unbuilt upon. Shall by all lawful means prevent, resist and abate enclosures, encroachments and buildings upon. The City may from time to time make and alter byelaws.*

The Ashtead Common Management Plan describes the strategy for achieving these aims.

## **Volunteers**

Volunteering remains strong at Ashtead Common. In total 6,320 hours of volunteering was achieved during the year (2022/23: 6,070 hours). The majority of this input was directly supervised by staff, but the figure also includes activities such as tool maintenance undertaken with little staff supervision.

## **Remuneration Policy**

The charity's staff are employees of the City Corporation and pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 7 to the financial statements.

The City Corporation is committed to equal opportunities for all employees. An Equality and Inclusion Sub-Committee has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Sub-Committee is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City Corporation's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City's Corporation's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five-year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29.

Staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

## **Fundraising**

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the charity's executive staff



who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

A donations page features on the Ashtead Common webpage, inviting and enabling the public to make an online donation.

The charity received nil complaints in relation to fundraising activities in the current year (2022/23: nil). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Ashtead Common charity's aims and objectives and in planning future activities. The purpose of the charity is the preservation in perpetuity of the common at Ashtead as an open space for the recreation and enjoyment of the public. Almost the entire open space is designated as a NNR and SSSI.

Past land use has influenced the Common, creating its rich ecological and cultural diversity. Today it is an important amenity resource for local people, who use the site for a variety of informal recreational and educational activities. Local people are actively encouraged to become involved as volunteers in all aspects of managing the Common.

Consequently, the Trustee considers that Ashtead Common operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 25.

## ACHIEVEMENTS AND PERFORMANCE

A full programme of conservation management was delivered by staff, volunteers and contractors.

**The key targets for 2023/24 together with their outcomes were:**

### ***Landscape scale conservation***

Actively support the proposals to enlarge the NNR to create a landscape scale designation that includes several sites in various ownerships near to Ashtead Common NNR. Additionally seek to engage with initiatives such as Local Nature Recovery Networks as the opportunity presents and continue to work with neighbours to safeguard and restore ecosystems beyond our boundaries (a NNR Standard).

The Ashtead team actively engaged with partners to progress the concept of a Super NNR that would encompass several sites near to Ashtead Common NNR. This included liaising with a local community group on the installation of a signalised crossing of the A243 Leatherhead Road near the Star Pub to improve access between the proposed NNR areas. Unfortunately, towards the end of the year Natural England decided to prioritise designations in other areas, so the Super NNR concept will not progress. However, the crossing proposal is still live, and communication links developed with the partners will be maintained.

### ***Implementing the Management Plan***

Work to manage the ancient oak pollards will recommence providing the trees are not subject to undue climatic stress. Wood pasture management will focus on areas around the ancient pollards, options for introducing virtual fencing will be reviewed to establish a likely timescale for their introduction. Pond maintenance regimes will also be reviewed. Survey and monitoring will focus mainly on saproxylic invertebrates.

The summer of 2022 was exceptionally dry, potentially causing stress to the ancient oak pollards, so a decision was taken not to work on them during the Autumn/Winter of 2022-23. This meant that there was a need to catch-up with the programme, and a total of 73 ancient trees had work done to them this Autumn-Winter as a result. Scrub and ride management were achieved according to the plan, and for the second year an emphasis was placed on managing firebreaks and residential boundaries to improve fire resilience.

### ***Implement Countryside Stewardship***

Delivery of the BE6 option to manage veteran trees will be adjusted to take account of the missed cutting cycle.

73 ancient trees were worked on during the autumn – winter of 2023. This partly caught-up with the backlog from 2022. All other options were delivered according to the schedule.

### ***Provide volunteering opportunities***

Provide high quality opportunities to engage with all aspects of the charity's work. Seek ways to demonstrate the value of volunteering and the benefits it provides.

6,320 hours of volunteering were achieved during the year. Many of these hours were the result of the well-attended Thursday volunteer practical conservation group, but volunteers

work alongside rangers regularly on other days too. Volunteers also undertake survey and monitoring work.

## **PLANS FOR FUTURE PERIODS**

**Key projects for 2024/25 include:**

### ***Implementing the Management Plan***

The work to manage the ancient oak pollards will include work scheduled for this year, plus some catch-up work from the drought affected year in 2022. Wood pasture management will focus on areas around the ancient pollards, scrub management will be delivered according to the schedule. Survey and monitoring will focus on birds.

### ***Implement Countryside Stewardship***

Deliver year three of the 10-year agreement. Chemical control of bracken has been removed from the scheme because the herbicide used is no longer available. However, mechanical control of bracken will continue.

### ***Introduce virtual fencing***

Working with grazing partners Surrey Wildlife Trust, 10 Belted Galloway cattle will graze the common using the No Fence system. This allows enclosures to be established virtually and reports the position and movements of the cows, making the daily checks easier. Initially the virtual fence technology will be introduced alongside temporary electric fencing to ensure the system works as effectively on Ashtead Common as it does elsewhere.

### ***Install 12 leaky dams***

As part of the City's Carbon Reduction Project initiative to sequester carbon, locations for 12 leaky dams have been provisionally identified. The aim is that these dams will keep areas wetter for longer, thereby slowing the rate of decay and consequently carbon release from vegetative material stored in the soil. Although their impact on this front is likely to be marginal, the beneficial byproduct of slowing water runoff into and along the course of the Rye Brook will be impactful.

### ***Provide volunteering opportunities***

Provide high quality opportunities to engage with all aspects of the charity's work. Seek ways to demonstrate the value of volunteering and the benefits it provides.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24, the charity's total income for the year was £693,102, an overall increase of £133,930 against the previous year (£559,172). The increase was largely due to an increase in the deficit funding grant from the City of London Corporation due to an increase in expenditure.

Income from Charitable Activities (£28,348) comprised of charges for use of facilities and licences (2022/23: £2,633 from charges for use of facilities, licences and sales of timber). The increase in income was due to a one-off works compound licence being granted.

Grants income of £52,697 was received in the year (2022/23: £30,942). Payment rates for several options forming the Countryside Stewardship Scheme agreement were significantly increased resulting in the increase of grant income. The grants relate to Agri-environment schemes that provide funding to farmers and land managers to farm in a way that supports biodiversity, enhances the landscape, and improves the quality of water, air and soil.

The Ashtead Common website collected £726 in donations (2022/23: £1,660). This income is designated to the maintenance of the ancient trees of Ashtead Common. Other donations collected comprised £2,203 related to amounts contributed towards the hosting of events (2022/23: £410 contributions from hosting of events and supply of by-products to the local allotment).

An amount of £609,128 (2022/23: £523,527) was received from the City of London Corporation's City's Estate as a contribution towards the funds of the charity. The contribution increased in the year because it represents deficit funding required for any expenditure not covered by other income, and expenditure in the year increased as explained below.

### Expenditure

Total expenditure for the year was £692,376 (2022/23: £557,512) all of which related to charitable activities. The increase was largely due to additional grounds maintenance being incurred on veteran tree management, due in part to catch-up work caused by the drought of summer 2022. A ride-on flail mower was also purchased during 2023/24 which will enable effective in-house delivery of work previously contracted out and resulted in additional expenditure being incurred on equipment purchases compared with the previous year.

### Funds held

The charity's designated fund consists of an unrestricted fund which the Trustee has chosen to set aside for a specific purpose. Such designations are not legally binding, and the trustee can decide to "undesignate" the fund at any time. Designations as at 31 March 2024 were £2,386 (2022/23: £1,660). This relates to donations collected via the Ashtead Common website, designated to maintain ancient trees.

Details of funds held, including their purposes, are set out within note 12 to the financial statements.

## Reserves

The charity receives significant support from the City of London Corporation which has committed to contributing the funds of the charity as necessary; it does so out of City's Estate. These funds are used to meet the deficit on running expenses. Consequently, this charity has no free reserves and a reserves policy is currently considered by the Trustee to be inappropriate.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice, the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
<b>Negative impacts of pests and diseases</b>	Actions plans are in place to address Lyme Disease. The Tree Safety Policy is reviewed every three years and the local site risk map annually.
<b>Decline in condition of assets</b>	Buildings and structures, particularly byelaw boards, are monitored continuously. Officers report defects to the City Surveyor's Department and remove any which become unsound.
<b>Negative impacts of development and encroachment</b>	Local plans continue to be developed and are scrutinised and commented on when required. The situation is kept under regular review.
<b>Climate change – fire, storms, drought, (ancient trees particularly vulnerable)</b>	The Fire Management Plan is reviewed and updated bi-annually. Habitat fire management and monitoring policies and plans are in place and link to staff training and local emergency services. Storm monitoring and management and closure policies are in place and are linked to high staff awareness and training. Ongoing research and dialogue is undertaken to understand the potential impacts of climate change on Ashtead Common.
<b>Water pollution of the Rye Brook</b>	A remote monitoring device has been installed. This long-term monitoring will determine if the apparent improvements in water quality seen in summer 2022 are genuine and sustained.

## TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

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## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF ASHTEAD COMMON**

I report to the Trustee on my examination of the accounts of Ashtead Common for the year ended 31 March 2024 which are set out on pages 14 to 24.

This report is made solely to the charity's Trustee, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's Trustee as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity Trustee of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 MARCH 2024**

		<b>Unrestricted Funds</b>	Unrestricted Funds
	Notes	<b>2023/24</b>	2022/23
		£	£
<b>Income from:</b>			
Voluntary activities	2	<b>55,626</b>	33,012
Charitable activities	3	<b>28,348</b>	2,633
Grant from City of London Corporation	4	<b>609,128</b>	523,527
<b>Total income</b>		<b>693,102</b>	559,172
<b>Expenditure on:</b>			
Charitable activities:			
Preservation of Ashtead Common	5	<b>692,376</b>	557,512
<b>Total expenditure</b>		<b>692,376</b>	557,512
<b>Net income/(expenditure)</b>		<b>726</b>	1,660
<b>Net movement in funds</b>		<b>726</b>	1,660
<b>Reconciliation of funds:</b>			
Total funds brought forward	12	<b>1,660</b>	-
<b>Total funds carried forward</b>	12	<b>2,386</b>	1,660

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 16 to 24 form part of these financial statements.

**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024	2023
		Total £	Total £
<b>Current assets</b>			
Debtors	9	38,733	35,520
<b>Total current assets</b>		<b>38,733</b>	<b>35,520</b>
<b>Creditors: Amounts falling due within one year</b>	10	<b>(36,347)</b>	<b>(33,860)</b>
<b>Net current assets</b>		<b>2,386</b>	<b>1,660</b>
<b>Total assets less current liabilities</b>		<b>2,386</b>	<b>1,660</b>
<b>Total net assets</b>		<b>2,386</b>	<b>1,660</b>
<b>The funds of the charity:</b>			
Unrestricted income funds	12	2,386	1,660
<b>Total funds</b>		<b>2,386</b>	<b>1,660</b>

The notes on pages 16 to 24 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

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# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the financial position, including future income levels and the liquidity of the charity over the next 12-month period. The assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure. In preparing the financial statements, management have not made any key judgements or assumptions.

**(d) Statement of Cash Flows**

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2024 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of charges for use of facilities, contributions, grants (including government grants from the RPA), sales and license income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and it recognised in the SOFA at this point.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. These costs are recharged and the basis of the cost allocation is set out in Note 6.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

**(g) Pension costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on



the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21 2021/22 and 2022/23 were set at 21%.

#### **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(i) Fixed Assets**

##### **Heritage Land and Associated Buildings**

Ashtead Common comprises 200 hectares (500 acres) of land located in North East Surrey, together with associated buildings. The object of the charity is the preservation in perpetuity of the common at Ashtead as an open space for the recreation and enjoyment of the public. Ashtead Common is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured. Heritage assets are reviewed annually for indicators of impairment and adjustments recognised accordingly if required.

#### **(j) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Unrestricted funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated funds** – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

**(k) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short-term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

**(l) Insurance**

The City Corporation's elected Members and City Corporation staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Grants	<b>52,697</b>	30,942
Donations	<b>2,929</b>	2,070
<b>Total</b>	<b>55,626</b>	33,012

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Charges for use of facilities	<b>26,452</b>	482
Sales	-	500
Licenses	<b>1,896</b>	1,651
<b>Total</b>	<b>28,348</b>	2,633

**4. INCOME FROM THE CITY OF LONDON CORPORATION**

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Revenue and capital grant from City of London Corporation	<b>609,128</b>	523,527

**Income for the year included:**

**Grants** – being amounts received from organisations for delivering some or all of the charity's objects. Grants have been received from Natural England's Countryside Stewardship Scheme relating to works carried out at Ashtead Common during 2023/24. All

grant income received has been fully recognised as revenue in the financial statements and there were no unfilled conditions relating to the grant income received as at 31 March 2024. No other forms of government assistance were received by the charity during 2023/24.

**Donations** – consist of campaign donations collected through the Ashtead Common website plus voluntary contributions towards the hosting of events such as bat walks.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation’s City’s Estate to meet the deficit on running expenses of the charity.

**Charitable activities** – being amounts generated from licences, room hire, and charges made to the public for the use of facilities.

## 5. EXPENDITURE

	Direct costs £	Support costs £	Total 2023/24 £	Direct costs £	Support costs £	Total 2022/23 £
Preservation of Ashtead Common	582,217	110,159	<b>692,376</b>	440,048	117,464	557,512
<b>Total</b>	582,217	110,159	<b>692,376</b>	440,048	117,464	557,512

### Charitable activity

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Ashtead Common.

### Independent examiner’s remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London City’s Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24, an independent examination fee of £1,943 was recharged (2022/23: £2,000). No other services were provided to the charity by its examiners during the year (2022/23: £nil).

## 6. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	11,326	-	<b>11,326</b>	20,081
Comptroller & City Solicitor	-	-	-	3,660
Town Clerk	-	15,279	<b>15,279</b>	18,054
City Surveyor	8,192	-	<b>8,192</b>	5,668
Natural Environment directorate	40,060	-	<b>40,060</b>	48,566
Other governance & support costs	2,865	1,943	<b>4,808</b>	4,987
Digital Services	30,494	-	<b>30,494</b>	16,448
Sub-total	92,937	17,222	<b>110,159</b>	117,464
Reallocation of governance costs	17,222	(17,222)	-	-
<b>Total</b>	<b>110,159</b>	<b>-</b>	<b>110,159</b>	117,464

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 7. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 6 (2022/23: 6).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2023/24 £	2022/23 £
Salaries and wages	<b>255,138</b>	225,702
National Insurance costs	<b>26,515</b>	24,470
Employer's pension contributions	<b>56,360</b>	50,529
<b>Total emoluments of employees</b>	<b>338,013</b>	300,701

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was nil (2022/23: nil).

### Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Natural Environment who manages the seven open spaces for which the City of London Corporation is a charity trustee. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £2,812 (2022/23: £7,902). No Members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £nil were claimed in 2023/24 (2022/23: £nil).

## 8. HERITAGE ASSETS

Since 1995 the primary purpose of the charity has been the preservation in perpetuity of the common at Ashtead as an open space for the recreation and enjoyment of the public. As set out in Note 1(i), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Ashtead Common are contained in the Ashtead Common Heritage Conservation Plan 2021. Records of heritage assets owned and maintained by Ashtead Common can be obtained from the Executive Director of Environment at the principal address as stated on page 25.

## 9. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	2024 £	2023 £
Prepayments and accrued income	1,385	1,311
Recoverable VAT	6,232	4,832
Other debtors	31,116	29,377
<b>Total</b>	<b>38,733</b>	<b>35,520</b>

## 10. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	5,357	2,133
Accruals	13,998	1,251
Bank overdraft	13,684	24,122
Deferred income	240	566
Other creditors	3,068	5,788
<b>Total</b>	<b>36,347</b>	<b>33,860</b>

Other creditors consist of listed creditors and a telecommunications wayleave rent deposit that will be returned in 2024/25.

Deferred income relates to income received in advance from customers relating to future accounting periods.

	2024 £	2023 £
<b>Deferred income analysis within creditors:</b>		
Balance at 1 April	566	246
Amounts released to income	(566)	(246)
Amounts deferred in the year	240	566
Balance at 31 March	<b>240</b>	<b>566</b>

## 11. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Unrestricted Income Funds			
	General Funds	Designated Funds	Total at 31 March 2024	Total at 31 March 2023
	£	£	£	£
Current Assets	36,347	2,386	<b>38,733</b>	35,520
Current Liabilities	(36,347)	-	<b>(36,347)</b>	(33,860)
<b>Total</b>	<b>-</b>	<b>2,386</b>	<b>2,386</b>	<b>1,660</b>

At 31 March 2023	Unrestricted Income Funds			
	General Funds	Designated Funds	Total at 31 March 2023	Total at 31 March 2022
	£	£	£	£
Current Assets	33,860	1,660	35,520	8,599
Current Liabilities	(33,860)	-	(33,860)	(8,599)
<b>Total</b>	<b>-</b>	<b>1,660</b>	<b>1,660</b>	<b>-</b>

## 12. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023	Income	Expenditure	Total as at 31 March 2024
	£	£	£	£
Unrestricted funds:				
General funds	-	692,376	(692,376)	-
Designated funds:				
Ancient tree maintenance	1,660	726	-	<b>2,386</b>
<b>Total unrestricted funds</b>	<b>1,660</b>	<b>693,102</b>	<b>(692,376)</b>	<b>2,386</b>
<b>Total funds</b>	<b>1,660</b>	<b>693,102</b>	<b>(692,376)</b>	<b>2,386</b>

At 31 March 2023	Total as at 1 April 2022	Income	Expenditure	Total as at 31 March 2023
	£	£	£	£
Unrestricted funds:				
General funds	-	557,512	(557,512)	-
Designated funds:				
Ancient tree maintenance	-	1,660	-	1,660
<b>Total unrestricted funds</b>	<b>-</b>	<b>559,172</b>	<b>(557,512)</b>	<b>1,660</b>
<b>Total funds</b>	<b>-</b>	<b>559,172</b>	<b>(557,512)</b>	<b>1,660</b>



## Purposes of designated funds

Ancient tree maintenance – This designated fund has been established by the Trustee to support the maintenance of over 2,300 ancient trees at Ashtead Common, with plans for how best to deliver this support currently in development. From November 2022, the public have been invited to donate to Ashtead Common via a campaign donations page on their website. Donations received through that campaign are designated to this fund.

Designated donations amounted to £726 (2022/23: £1,660).

## 13. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 5.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>110,159</b> (nil)	117,464 (nil)	Management, surveying and administrative services provided for the charity
		<b>609,128</b> (nil)	523,527 (nil)	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Ashtead Common

Registered charity number: 1051510

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Katie Stewart – Executive Director of Environment

Emily Brennan – Director of Natural Environment

**INDEPENDENT EXAMINER**

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Highgate Wood and Queen's Park Kilburn

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 232986

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## **ORIGINS OF THE CHARITY**

Queen's Park and Highgate Wood were acquired by the City of London Corporation from the Ecclesiastical Commissioners under the Highgate and Kilburn Open Spaces Act 1886 on condition that the City of London Corporation maintained them in perpetuity for the benefit of Londoners, for exercise and recreation. The Court of Chancery agreed at that time that the late William Ward's bequest should be used towards the maintenance of Queen's Park and this capital fund is still used for this purpose. From April 2002 the Assistant Director Natural Environment Hampstead Heath, formally known as the Superintendent of Hampstead Heath, had overall responsibility for both sites.

The Highgate Wood and Queen's Park Kilburn charity was registered in 1962.



# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document is the Highgate and Kilburn Open Spaces Act 1886. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Highgate Wood and Queen's Park Kilburn. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Elected Aldermen and Members of the City of London Corporation are appointed to the Hampstead Heath, Highgate Wood and Queen's Park Committee governing Highgate Wood and Queen's Park Kilburn by the Court of Common Council of the City of London Corporation.

Members of the Court of Common Council are elected by the electorate of the City of London and are unpaid for support provided to the Charity. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity's investments which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Hampstead Heath, Highgate Wood and Queen's Park Committee** - responsible for the activities undertaken at Highgate wood and Queen's Park Kilburn, approving budget allocations for the forthcoming year and acting as Trustee of the charity.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is not considered in the charity's best interest to do so), supporting a decision-making process that is clear, transparent and publicly accountable.

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over their activities. City's Estate, which was renamed from City's Cash during 2023/24, is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The trustee believes that good governance is fundamental to the success of the charity. An initial review of governance has been undertaken to ensure that the charity is effective in fulfilling its objectives, and further more detailed work is currently being undertaken as part of a review of the City of London Corporation's Natural Environment charities. This review is due to be completed as soon as practicable and further significant progress is expected by December 2024. Reference is being made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 35.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of London Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's restructure, the Open Spaces Department has merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department. Highgate Wood and Queen's Park Kilburn became part of the Environment Department from 1 April 2022.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of Highgate Wood and Queen's Park Kilburn. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

The objective of the charity is the maintenance and preservation in perpetuity of the open spaces known as Highgate Wood and Queen's Park Kilburn, as public parks or open spaces for use by the public for exercise and recreation.

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

Lands were transferred to the City of London Corporation under the powers conferred by the Highgate and Kilburn Open Spaces Act 1886. The purpose of the charity is the maintenance and preservation in perpetuity by the City of London Corporation of the open spaces known as Highgate Wood, Highgate and Queen's Park Kilburn as public parks or open spaces, for the use by the public for exercise and recreation.

This charity is operated as a separate legal entity consolidated into the City of London Corporation's City's Estate. The City of London Corporation is committed to funding the ongoing net operational costs of the charity in accordance with the purpose, as stated above.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 35.

### **Volunteers**

Volunteering hours are estimated at 450 hours at Highgate Wood and 360 hours at Queen's Park which combine conservation activities delivered in collaboration with our partner organisation Heath Hands, and ecological monitoring by individual local residents.

### **Remuneration Policy**

The charity's senior staff are employees of the City Corporation, and alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As

part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 8 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

## **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although Highgate Wood and Queen's Park Kilburn charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

From December 2020 to June 2023 the Queen's Park webpage, invited and enabled the public to make on-line donations to the Queen's Park Sandpit and Playground Improvements campaign. From June 2023 the webpage invited the public to 'Donate to Queens Park' to help protect and maintain the park for future generations.

The charity has received nil complaints in relation to fundraising activities in the current year (2022/23: nil). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Highgate Wood and Queen's Park Kilburn's aims and objectives and in planning future activities. The purpose of the charity is the maintenance and preservation in perpetuity by the City of London Corporation as open spaces known as Highgate Wood and Queen's Park Kilburn for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Highgate Wood and Queen's Park Kilburn operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 35.

## **ACHIEVEMENTS AND PERFORMANCE**

### **The aims for 2023/24 for Highgate Wood were:**

#### **Continue to work on an ecological monitoring programme of the impact of visitors through the Heath Hands volunteers.**

A new 0.8-hectare enclosed conservation area was completed in 2022/23, and vegetation recovery is now being monitored going forward. The understory is regenerating, and a number of bird species are using the area as a new refuge.

#### **Continue to work collaboratively with the Friends of Highgate Roman Kiln and support their future Heritage Lottery Bid.**

Friends of Highgate Roman Kiln (FOHRK, charity no. 1177405) Heritage Lottery Bid has been successful, and we have been working collaboratively with both FOHRK and the project management team to deliver a series of activities around the return of the restored kiln later in 2024.

#### **Continue the notice board replacement programme.**

This project has been delayed due to the retirement of the inhouse maintenance member of staff. We are awaiting the recruitment of a new member of staff to continue the work of building replacement noticeboards.

#### **Implement the 2018 to 2028 Woodland Management Plan**

The Highgate Wood Woodland Management Plan 2018 to 2028 continues to guide and inform woodland management on the site and the plan objectives will be incorporated into the new Highgate Wood Management Plan 2024 onwards.

#### **Continue the work of nature recovery, building in resilience, and the protection of the ancient woodland, wildlife and its soil.**

Work continues supported by volunteers from Heath Hands, to conserve and protect the more vulnerable conservation areas by rebuilding dead heading enclosures and also creating laid hedge sections to discourage access and improve wildlife refuge value. Work has continued to enclose areas damaged during the COVID19 pandemic to allow natural recovery.

#### **Renew the 2013 to 2023 Highgate Wood Conservation Management Plan.**

This has been delayed and work will be prioritised in 2024/25.

### **The aims for 2023/24 for Queen's Park were:**

#### **Develop heritage outcomes and incorporate preservation and interpretation actions into the Conservation Management Plan and Annual Work Programme**

The Conservation Management Plan and Annual Work Programme for Queens Park was reviewed and updated in 2023/24 to submit with the Green Flag and Green Heritage Applications and London in Bloom Award application in January 2024. Both the Green Flag and Green Heritage Awards were retained in 2023 and Queens Park was awarded a Gold Award for Large Park in London in Bloom.

The Management Plan and Annual Work Programme in 2023/24 ensured conservation and heritage was addressed. This included improving and implementing signage across the site to celebrate the heritage assets such as the Grade 2 Listed Bandstand and to improve understanding of their historical importance. Work was also continued by the Head Gardener to ensure planting regimes took into consideration the adapting climate and to ensure the historical character of the park was not lost. We continued with the veteran tree programme and extended and managed areas of wildflower meadow within the park.

**Undertake surveys on visitor engagement and capture data to understand visitor trends and satisfaction.**

Working with an external consultant, officers completed an analysis of the number of visits to the park in 2023, which totalled 910,264 visits. In addition, the consultation for potential improvement projects in the park engaged with approximately 500 park users and gathered helpful insights on user preferences and other information to support service improvements

**Maximise volunteering opportunities by offering a range of activities.**

Community involvement and volunteering opportunities were maximised in 2023/24. We worked closely with a local residents' association, who volunteers annually to host Queen's Park Day in September, which is a very popular event that allows local businesses and groups to showcase their talents and products to the community. Approximately 10,000 - 15,000 people attended. The Park is also surrounded by ten schools within reasonable walking distance that engage with the park through independent visits using the Park as an outdoor classroom and use of sports facilities. Over ten sports days took place in 2023, along with bulb planting sessions with the Head Gardener, participating in volunteering sessions and as part of work experience placement programs within the farm. Transition Town also operated a free-to-use allotment plot at the rear of the cafe. Kensal Rise pickers picked their fruit from the apple and pear trees located in the on-site staff accommodation, and they operate with many volunteers to turn the fruit into juice, which is available at Queen's Park Day

**Complete the redevelopment of the Children's Sandpit via an agreed project through the City Corporation Gateway process. Seek capital funding through external and internal sources to enable the delivery of this project.**

The project, whilst almost complete, encountered some issues over the course of its delivery, slowing down progress. This is due to be completed in June 2024.

**Consult on, finalise, and implement the Queen's Park Woodland Walk Management Plan.**

Officer completed a public consultation on the woodland walk and other potential improvement projects in Queen's Park, which enjoyed good participation. In 2024/25, Officers will explore the feasibility of implementing the woodland walk and other potential projects, which does not currently have funding or officer capacity to implement.



**Develop an updated Draft Conservation Management Plan.**

A one-year management plans was developed for the park for 2024, and a 10-year management plan will be developed in 2024/25 in alignment with the updates to all management plans across North London Open Spaces

**Aims for 2023/24 for both Highgate Wood and Queen's Park were:**

**Achieve budgeted income and expenditure targets for Highgate Wood and Queen's Park Kilburn Charity.**

Delivery of a balanced budget, and achievement of financial savings as required through a combination of reducing expenditure and appropriate income generation activities.

**Deliver the phase 2 finalised restructure following completion of staff consultation process.**

The final version of the restructure was implemented and adhered to successfully, within budget during 2023/24, with recruitment continuing into 2024/25.

**Review the Café retendering programme with a review of income generation and market values.**

This has been delayed and will be progressed during 2024/25.

**Maintain Green Flag Award and Green Heritage Accreditation for 2023/24.**

Both sites were successful in winning the Green Flag and Green Heritage awards for 2023/24.

**Contribute towards the City Corporation Climate Action Strategy by achieving Net zero by 2027.**

A key part of the strategy is conserving and enhancing biodiversity alongside reducing carbon emissions. The Climate Action Strategy will be embedded into future strategies which are currently being drafted within the Natural Environment Division and delivered at open spaces, including Queen's Park and Highgate Wood.

## **PLANS FOR FUTURE PERIODS**

The proposed overarching priorities which will guide all of our objectives and activities from April 2024 are:

**Highgate Wood**

- Continue the work of nature recovery and the protection of the ancient woodland and its soil.
- Continue to work on an ecological monitoring programme of the impact of visitors, with volunteers from Heath Hands.
- Continue to work collaboratively with the Friends of Highgate Roman Kiln and provide support to realise the project's objectives of returning the kiln artifact to Highgate Wood in 2024, now funded by the Heritage Lottery Fund.
- Carry out repairs to the Highgate Wood play area rubberised bark safety surface which have been identified in recent play area inspections.

- Continue to implement the 2018 to 2028 Woodland Management Plan.
- Prioritise the renewal of the 2013 to 2023 Highgate Wood Conservation Management Plan.

### **Queen's Park**

- Review management plan in line with the new City of London Corporate Plan (implemented in April 2024)
- To increase the annual income generation through sports and rent.
- Explore the feasibility of implementing the potential projects that were consulted upon in 2023, which do not currently have funding or officer capacity to implement.
- Work with the conservation team, tree team and head gardener to improve the grounds conditions and habitat, continuing with the veteran tree program and managing areas of wildflower meadow.
- Refurbishment of toilet facilities after vandalism.
- Review paddling pool operations for 2025 season.
- Review exercise equipment within the park.

### **Both Highgate Wood and Queen's Park.**

- Maintain Green Flag Award and Green Heritage Accreditation for 2024/25.
- Contribute towards the City Corporation Climate Action Strategy by achieving Net zero by 2027
- Review the Café retendering programme with a review of income generation and market values.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity's total income for the year was £1,846,895, an overall increase of £358,775 against the previous year (£1,488,120). This variation was largely due to an increase in expenditure compared to the previous year and therefore a larger grant was received from the City of London to fund the deficit and income relating to the Sandpit and Playground Improvements project at Queens Park.

Income from Charitable Activities comprised £169,990 from fees charged (2022/23: £169,642) and £61,161 from rents (2022/23: £55,829).

Unrestricted donations received were £4,148 (2022/23: £30). The charity also received £27,597 in restricted contributions towards the Roman Kiln Project (2022/23: £nil). A contribution of £45,000 from CIL monies was provided by the London Borough of Brent towards the cost of the sandpit project (2022/23: £nil). During the year no campaign donations were received via the Queen's Park web page towards the Sandpit and Playground Improvements Campaign (2022/23: £1,125).

An amount of £1,533,369 (2022/23: £1,254,787) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity.

#### Expenditure

Total expenditure for the year was £1,771,783 (2022/23: £1,503,483) all of which related to charitable activities. The increase in expenditure can be explained by an increase in employment costs following pay rises awarded to staff as well as additional expenditure incurred on fees and services, grounds maintenance and costs recharged from corporate departments.

#### Funds held

The charity's total funds held increased by £91,761 to £396,156 as at 31 March 2024 (2022/23: £304,395).

The charity's designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to "undesignate" these funds at any time. Designations as at 31 March 2024 totalled £209,526 (2022/23: £120,059). These represent the net book value of fixed assets held.

The balance on the Queen's Park Sandpit and Playgrounds Improvement Campaign restricted donations fund of £14,754 held at 31 March 2023 was transferred in full to the designated fund during 2023/24 and used towards the cost of the fixed asset addition.

Details of all funds held, including their purposes, is set out within note 15 to the financial statements.

## Investments performance

Over the course of 2023/24, the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below Investments, as displayed in the table below, was above the benchmark. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multigap strategy that aims to generate a rising income stream combined with long-term capital growth. The fund invests in UK equities and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

Fund	2023/24		2022/23	
	3 year	5 year	3 year	5 year
FTSE All Share	9.0%	7.6%	14.1%	5.6%
Fund outperformance	8.1%	5.4%	13.8%	5.0%
	1.0%	2.2%	0.3%	0.6%

## Reserves

The charity receives significant support from the City of London Corporation which is committed to contributing as necessary to the funds of the charity; it does so out of its City's Estate Funds. These Funds are used to meet the deficit on running expenses on a year by year basis. Consequently, a reserves policy is considered by the trustee to be inappropriate. The charity held free reserves of £186,630 at 31 March 2024, funds which will be used by the charity to further its objects, and which will be factored into financial plans.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 23.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks	
<b>Decline in condition of assets</b>	<p>Inspections of operational property are managed, and records kept, by the City Surveyor's Department (CSD). Building defects are reported to CSD's Facilities Management Team to address.</p> <p>Longer term repairs and maintenance are managed through the Cyclical Works Programme (CWP), and where significant costs are likely to be incurred over and above the CWP, additional funding is sought through capital bids.</p> <p>A full review of Natural Environment assets is underway. The outcome will include a detailed asset management plan.</p>	
<b>Budget Pressures</b>	<p>Monitor budgets monthly and consider income generation opportunities.</p> <p>Appoint Head of Development and Partnerships.</p>	
<b>Impacts of anti-social behaviour on staff and site</b>	<p>An Environment Department reporting system is being trialled, following which a decision will be taken as to a permanent arrangement and departmental policy. Develop methods to ensure incidents are reported and actions taken as necessary.</p> <p>First-time or refresher training for staff on conflict management will be organised as part of a departmental arrangement.</p> <p>Build enforcement partnerships.</p> <p>The use of social media messaging, press releases, signage and face to face engagement with members of the public to encourage responsible behaviours is ongoing as appropriate.</p>	
<b>Adverse impacts of extreme weather and climate change</b>	<p>Met Office weather alerts are monitored and cascaded.</p> <p>Site plans are reviewed annually or following an incident, if appropriate.</p> <p>In accordance with the Extreme Weather Protocol, sites are closed during extreme weather events.</p>	
<b>Risk to health and safety</b>	<p>Proactive Health and Safety management, including audits, inspections, communications, and staffing.</p> <p>Department and Divisional Health and Safety Meeting are held regularly.</p>	

<p><b>Recruitment of suitable staff</b></p>	<p>Embed new operational structure. Support and training will be provided for existing and new staff to enable the creation of strong, supportive teams with consistent management support and good development opportunities.</p> <p>Recruitment of vacant posts.</p>
<p><b>Tree failure</b></p>	<p>Tree management systems are place, including regular inspections to identify any trees with structural or health issues.</p> <p>Highgate Wood and Queen's Park are closed in extreme weather conditions.</p> <p>An annual review of systems and inspections is undertaken by an independent external consultant.</p> <p>The Natural Environment Division's Tree Safety Policy is being reviewed in liaison with colleagues across the Division to ensure it is fit for purpose and updated as necessary.</p>
<p><b>Negative impacts of pests and diseases</b></p>	<p>Tree provenance is considered, and planting stock is sourced in accordance with best practice guidance.</p> <p>The threat of OPM across the North London Division is reducing, but we continue with the Forestry Commission led management on a targeted caterpillar spray in specific areas and nest removal in others. We are also looking at alternative, nature-based, management strategies. Staff remain vigilant for all tree pests and diseases.</p>
<p><b>Negative of visitor pressure</b></p>	<p>Additional monitoring and ecological assessments required. Messaging via social media asking visitors to use the site responsibly. Regular Ranger and Constabulary activity. Programmed restoration work is ongoing. Seeking ways to improve visitor infrastructure to encourage visitors to stay on designated routes and minimise damage. Carrying out educational and messaging campaigns to encourage the public to use the site responsibly. Very severely affected areas are temporarily fenced off to enable recovery. Target set for 2025 as we expect this to be a long-term mitigation exercise.</p>
<p><b>Outbreak of fire in woodland/heathland</b></p>	<p>Staff are made aware of extreme weather events and 'Trigger Events.'</p> <p>The Emergency Action Plan and Fire safety audits are reviewed and updated annually.</p> <p>Signage and social media messaging is used to remind visitors not to light fires or barbecues.</p>

## TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.



Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation  
Guildhall, London

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation, Guildhall, London

Guildhall, London

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# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HIGHGATE WOOD AND QUEEN'S PARK KILBURN

## Opinion

We have audited the financial statements of Highgate Wood and Queen's Park Kilburn ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and 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 31 March 2024 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 are responsible for the other information contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 15 and 16, the Trustee 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 Trustee 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 Trustee 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 Trustee 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**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk

of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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 charity's 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

**Crowe U.K. LLP**  
Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

XX/XX/XXXX

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>					
Voluntary activities	2	4,148	72,597	<b>76,745</b>	1,155
Charitable activities	3	231,151	-	<b>231,151</b>	225,471
Grant from City of London Corporation	4	1,533,369	-	<b>1,533,369</b>	1,254,787
Investments	5	5,630	-	<b>5,630</b>	6,707
<b>Total income</b>		<b>1,774,298</b>	<b>72,597</b>	<b>1,846,895</b>	1,488,120
<b>Expenditure on:</b>					
Charitable activities:					
Maintenance and preservation of Highgate Wood and Queen's Park Kilburn	6	1,744,186	27,597	<b>1,771,783</b>	1,503,483
<b>Total expenditure</b>		<b>1,744,186</b>	<b>27,597</b>	<b>1,771,783</b>	1,503,483
Net (loss) / gain on investments	11	16,649	-	<b>16,649</b>	(3,914)
<b>Net (expenditure)/income and net movement in funds</b>		<b>46,761</b>	<b>45,000</b>	<b>91,761</b>	(19,277)
<b>Reconciliation of funds:</b>					
Total funds brought forward	15	289,641	14,754	304,395	323,672
<b>Total funds carried forward</b>	15	<b>336,402</b>	<b>59,754</b>	<b>396,156</b>	304,395

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 23 to 34 form part of these financial statements.

# BALANCE SHEET

## AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Tangible assets	10	209,526	120,059
Investments	11	186,231	169,582
<b>Total fixed assets</b>		<b>395,757</b>	289,641
<b>Current assets</b>			
Debtors	12	109,129	38,177
Cash at bank and in hand		7,714	136,824
<b>Total current assets</b>		<b>116,843</b>	175,001
<b>Creditors: Amounts falling due within one year</b>	13	<b>(116,444)</b>	(160,247)
<b>Net current assets/(liabilities)</b>		<b>399</b>	14,754
<b>Total assets less current liabilities</b>		<b>396,156</b>	304,395
<b>Total net assets</b>		<b>396,156</b>	304,395
<b>The funds of the charity:</b>			
Restricted income funds	15	-	14,754
Unrestricted income funds	15	396,156	289,641
<b>Total funds</b>		<b>396,156</b>	304,395

The notes on pages 23 to 34 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London

Xx/xx/xx



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention except for fixed asset investments which are held at fair value and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the financial position, including future income levels, planned expenditure and the liquidity of the charity over the next 12-month period. This assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets.

**(d) Statement of Cash Flows**

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2024 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. These costs are recharged and the basis of the cost allocation is set out in note 7.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

**(g) Pension costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit

scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set the contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21, 2021/22 and 2022/23 had been set at 21%.

#### **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(i) Fixed Assets**

##### **Heritage Land and Associated Buildings**

Highgate Wood and Queen's Park comprises 315 hectares (780 acres) of land, together with associated buildings, located in the North London boroughs of Haringey and Brent respectively. The object of the charity is the preservation in perpetuity of Highgate Wood and Queen's Park Kilburn as open spaces for the recreation and enjoyment of the public. Highgate Wood and Queen's Park are considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

## Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Infrastructure	up to 20

### (j) Investments

Investments are made in the City of London Charities Pool (charity number: 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

### (k) Cash

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

### (l) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Restricted Funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted income funds** – these funds can be used in accordance with the charitable object at the discretion of the Trustee and include both income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated funds** – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

### (m) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the

indemnity the City Corporation provides to Members and staff, funded from City's Estate.

## 2. INCOME FROM VOLUNTARY ACTIVITIES

	Unrestricted funds	Restricted income funds	Total 2023/24	Unrestricted funds	Restricted income funds	Total 2022/23
	£	£	£	£	£	£
Donations and legacies	4,148	-	<b>4,148</b>	30	1,125	1,155
Contributions	-	72,597	<b>72,597</b>	-	-	-
<b>Total</b>	<b>4,148</b>	<b>72,597</b>	<b>76,745</b>	<b>30</b>	<b>1,125</b>	<b>1,155</b>

## 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Charges for use of facilities	<b>169,990</b>	169,642
Rental income	<b>61,161</b>	55,829
<b>Total</b>	<b>231,151</b>	<b>225,471</b>

## 4. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Revenue and capital grant from City of London Corporation	<b>1,533,369</b>	1,254,787

## 5. INCOME FROM INVESTMENTS

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Investment income	<b>5,630</b>	6,707

### Income for the year included:

**Voluntary activities** – relating to income received for the Roman Kiln Project, from Friends of Highgate Roman Kiln and Community Infrastructure Levy (CIL) contributions from London Borough of Brent towards the Queen's Park Sandpit project. Also, donations received from the public.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation's City's Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Charitable activities** – being amounts generated from charges made for the use of facilities, such as for filming and sports bookings and from the rental of catering facilities and wayleave licenses.

## 6. EXPENDITURE

	Direct costs £	Support costs £	Total 2023/24 £	Direct costs £	Support costs £	Total 2022/23 £
Maintenance and preservation of Highgate Wood and Queen's Park Kilburn	<u>1,446,622</u>	<u>325,161</u>	<u>1,771,783</u>	<u>1,208,947</u>	<u>294,536</u>	<u>1,503,483</u>

### Charitable activity

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Highgate Wood and Queen's Park Kilburn.

### Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24 an audit fee of £6,930 was recharged (2022/23: £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	27,411	-	<b>27,411</b>	40,633
Comptroller & City Solicitor	-	-	-	7,238
Town Clerk	-	41,254	<b>41,254</b>	35,698
City Surveyor	37,553	-	<b>37,553</b>	25,420
Natural Environment directorate	117,424	-	<b>117,424</b>	129,549
Other governance & support costs	12,287	6,930	<b>19,217</b>	19,232
Digital Services	82,302	-	<b>82,302</b>	36,766
Sub-total	276,977	48,184	<b>325,161</b>	294,536
Reallocation of governance costs	48,184	(48,184)	-	-
<b>Total</b>	<b>325,161</b>	<b>-</b>	<b>325,161</b>	294,536

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 8. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 15 (2022/23: 14).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2023/24 £	2022/23 £
Salaries and wages	<b>620,795</b>	547,765
National Insurance costs	<b>55,186</b>	55,019
Employer's pension contributions	<b>97,977</b>	99,926
<b>Total emoluments of employees</b>	<b>773,958</b>	702,710

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was nil (2022/23: nil):

### Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Natural Environment who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.



The amount of employee benefits received by key management personnel totalled £8,124 (2022/23: £21,079). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £nil were claimed in 2023/24 (2022/23: £nil).

## 9. HERITAGE ASSETS

Since 1886 the primary purpose of the charity has been the preservation of Highgate Wood and Queen's Park Kilburn for the recreation and enjoyment of the public. As set out in Note 1(i), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Highgate Wood and Queen's Park Kilburn are contained in the Highgate Wood Conservation Management Plan 2013-2023 and Queen's Park Kilburn Conservation Management Plan 2014-2024. Records of heritage assets owned and maintained by Highgate Wood and Queen's Park Kilburn can be obtained from the Executive Director of Environment at the principal address as stated on page 35.

## 10. TANGIBLE FIXED ASSETS

	Land and Buildings	Infrastructure	Furniture and Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2023	166,388	257,130	-	423,518
Additions	-	-	105,955	105,955
Disposals	-	-	-	-
At 31 March 2024	166,388	257,130	105,955	<b>529,473</b>
<b>Depreciation</b>				
At 1 April 2023	59,475	243,984	-	303,459
Charge for the year	3,342	13,146	-	16,488
At 31 March 2024	62,817	257,130	-	<b>319,947</b>
<b>Net book value</b>				
At 31 March 2024	103,571	-	105,955	<b>209,526</b>
At 31 March 2023	106,913	13,146	-	120,059

## 11. FIXED ASSET INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	2023
	£	£
Market value 1 April	169,582	173,496
Gain / (loss) for the year	16,649	(3,914)
<b>Market value 31 March</b>	<b>186,231</b>	169,582
<b>Cost 31 March</b>	107,254	107,254
Units held in Charities Pool	<b>18,728</b>	18,728

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

	Held	Total at 31	Held	Total at 31
	in the	March	in the	March 2023
	UK	2024	UK	2023
	£	£	£	£
Equities	156,695	<b>177,087</b>	137,606	160,675
Pooled Units	6,946	<b>6,946</b>	5,557	5,557
Cash held by Fund Manager	2,198	<b>2,198</b>	3,350	3,350
<b>Total</b>	165,839	<b>186,231</b>	146,513	169,582

## 12. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>2024</b>	2023
	£	£
Rental debtors	<b>18,106</b>	4,808
Prepayments and accrued income	<b>6,437</b>	6,546
Recoverable VAT	<b>41,886</b>	23,553
Other debtors	<b>42,700</b>	3,270
<b>Total</b>	<b>109,129</b>	38,177

## 13. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>2024</b>	2023
	£	£
Trade creditors	<b>8,770</b>	55,569
Accruals	<b>79,689</b>	60,405
Deferred income	<b>4,502</b>	4,502
Other creditors	<b>23,483</b>	39,771
<b>Total</b>	<b>116,444</b>	160,247

Deferred income relates to rental income received in advance for periods after the year-end.

	<b>2024</b>	2023
<b>Deferred income analysis within creditors:</b>	<b>£</b>	<b>£</b>
Balance at 1 April	4,502	3,502
Amounts released to income	(4,502)	(3,502)
Amounts deferred in the year	4,502	4,502
<b>Balance at 31 March</b>	<b>4,502</b>	<b>4,502</b>

## 14. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Unrestricted income funds		Restricted funds	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	General funds	Designated funds			
	£	£			
Tangible assets	-	209,526	-	<b>209,526</b>	120,059
Investments	186,231	-	-	<b>186,231</b>	169,582
Current assets	116,843	-	-	<b>116,843</b>	175,001
Current liabilities	(116,444)	-	-	<b>(116,444)</b>	(160,247)
<b>Total</b>	<b>186,630</b>	<b>209,526</b>	<b>-</b>	<b>396,156</b>	<b>304,395</b>

At 31 March 2023	Unrestricted income funds		Restricted funds	Total at 31 March 2023	Total at 31 March 2022
	General funds	Designated funds			
	£	£			
Tangible assets	-	120,059	-	120,059	136,547
Investments	169,582	-	-	169,582	173,496
Current assets	160,247	-	14,754	175,001	46,359
Current liabilities	(160,247)	-	-	(160,247)	(32,730)
<b>Total</b>	<b>169,582</b>	<b>120,059</b>	<b>14,754</b>	<b>304,395</b>	<b>323,672</b>

## 15. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023	Income	Expenditure	Gains & (losses)	Transfers	<b>Total as at 31 March 2024</b>
	£					
<b>Restricted funds:</b>						
CIL Contributions	-	45,000			(45,000)	-
Roman Kiln Project	-	27,597	(27,597)		-	-
Campaign donations	14,754	-	-	-	(14,754)	-
<b>Total Restricted Funds</b>	<b>14,754</b>	<b>72,597</b>	<b>(27,597)</b>	<b>-</b>	<b>(59,754)</b>	<b>-</b>
<b>Unrestricted funds:</b>						
General funds	169,582	1,728,097	(1,727,698)	16,649	-	<b>186,630</b>
<b>Designated funds:</b>						
Furniture & Equipment	-	46,201	-	-	59,754	<b>105,955</b>
Land & Buildings	106,913		(3,342)			<b>103,571</b>
Infrastructure	13,146		(13,146)		-	-
<b>Total unrestricted funds</b>	<b>289,641</b>	<b>1,774,298</b>	<b>(1,744,186)</b>	<b>16,649</b>	<b>59,754</b>	<b>396,156</b>
<b>Total funds</b>	<b>304,395</b>	<b>1,846,895</b>	<b>(1,771,783)</b>	<b>16,649</b>	<b>-</b>	<b>396,156</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total as at 31 March 2023 £
<b>Restricted Funds</b>					
Campaign donations	13,629	1,125	-	-	14,754
<b>Total Restricted Funds</b>	<b>13,629</b>	<b>1,125</b>	<b>-</b>	<b>-</b>	<b>14,754</b>
<b>Unrestricted funds:</b>					
General funds	173,496	1,486,995	(1,486,995)	(3,914)	169,582
<b>Designated funds:</b>					
Tangible fixed assets	136,547	-	(16,488)	-	120,059
<b>Total</b>	<b>310,043</b>	<b>1,486,995</b>	<b>(1,503,483)</b>	<b>(3,914)</b>	<b>289,641</b>
<b>Total funds</b>	<b>323,672</b>	<b>1,488,120</b>	<b>(1,503,483)</b>	<b>(3,914)</b>	<b>304,395</b>

### Purposes of restricted funds

The restricted fund for 'Campaign Donations' represents funds received from the public through donations. A donations page has been created on the Queen's Park webpage, inviting and enabling the public to make on-line donations to the Queen's Park Sandpit and Playground Improvements project. In total £nil was received during the year (2022/23: £1,125). During the year, a contribution of £45,000 from CIL monies was provided by the London Borough of Brent towards the cost of the sandpit project (2022/23: £nil). This reserve was fully utilised during 2023/24 to part fund the cost of the sandpit project.

### Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

*Fixed Assets* – these are included at historic cost less accumulated depreciation in accordance with Note 1 (j). At 31 March 2024 the net book value of fixed assets amounted to £209,526 (2022/23: £120,059)

## 16. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 7.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City

Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent amounts due to or from another entity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>1,533,369</b>	1,254,787	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity
		(nil)	(nil)	
		<b>325,161</b>	294,536	Administrative services provided for the charity
		(nil)	(nil)	
		<b>5,630</b>	6,707	Distribution from the Charities Pool
		(nil)	(nil)	

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Highgate Wood and Queen's Park Kilburn

Registered charity number: 232986

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE – The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Katie Stewart – Executive Director of Environment

Emily Brennan – Director of Natural Environment (appointed 5<sup>th</sup> June 2023)

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents & of the Annual Report of City's Estate:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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West Ham Park

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 206948

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## **ORIGINS OF THE CHARITY**

West Ham Park was purchased in 1874 from Mr John Gurney. The conveyance to the City of London Corporation provided that it was to be held on trust forever “as open public grounds and gardens for the resort and recreation of adults and as playgrounds for children and youth”. The City of London Corporation agreed to maintain and preserve the Park for this purpose at its own cost. The Park is managed by a joint committee of 15 managers, eight of whom are appointed by the City of London Corporation, four by the heirs of the late John Gurney, one by the Parish of West Ham and two by the London Borough of Newham. The Park is listed in Historic England’s Register of Historic Parks & Gardens (Grade II).

This charity is operated as part of the City of London Corporation’s City’s Estate. The City of London Corporation is committed to fund the ongoing net operational costs of the charity in accordance with the purpose which is to maintain and preserve the Park “as open public grounds and gardens for the resort and recreation of adults and as playgrounds for children and youth”.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing documents are the indenture Acts dated 20 July 1874 and the schemes approved by the Charity Commission on 12 May 1981 and 27 September 1991. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of West Ham Park. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. For West Ham Park, elected Aldermen and Members of the City of London Corporation, together with four members nominated by the heir-at-law of the late John Gurney, two members nominated by the London Borough of Newham and one member nominated by the Parish of West Ham, are appointed to the West Ham Park Committee governing West Ham Park by the Court of Common Council of the City of London Corporation.

Members of the Court of Common Council are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **West Ham Park Committee** – responsible for the activities undertaken at West Ham Park, approving budget allocations for the forthcoming year and acting as Trustee of the charity.
- **Corporate Services Committee** – responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions.
- **Natural Environment Board** – policy and strategic body in relation to the activities of the City Corporation's Natural Environment Division of the Environment Department.

All the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making

process to be clear, transparent, and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over their activities. City's Estate is a fund of the City Corporation that can be traced back to the 15<sup>th</sup> century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London.
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 30.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's restructure, the former Open Spaces Department merged with Planning and Transportation and Port Health and Environmental Services to form a new Environment Department; West Ham Park became part of the Environment Department from 1 April 2022.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of West Ham Park. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## OBJECTIVES AND ACTIVITIES

The objectives of the charity are to hold West Ham Park on trust forever “as open public grounds and gardens for the resort and recreation for adults and as playground for children and youth”. The City of London Corporation agreed to maintain and preserve the Park for this purpose at its own cost.

In support of these objectives, the main activities of the charity are set out in the West Ham Park Management Plan, and include the maintenance of grounds, gardens, infrastructure and play equipment, specifically the lawns, trees, plants, structures and hard landscaping that make up this 19<sup>th</sup> century traditional park environment.

### Volunteers

The charity works closely with the Friends of West Ham Park who deliver numerous walks, talks and events throughout the year. They also run a ‘Jubilee Vegetable Garden’, wildlife garden and undertake organised litter-picks throughout the calendar year.

Volunteer hours for 2023/24 were estimated to be about 1650 hours, by 516 attendees over this period: this figure includes corporate volunteers in partnership with the East London Business Alliance (ELBA).

### Remuneration Policy

The charity’s senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity’s key management personnel, as defined within note 9 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality, Diversity and Inclusion Sub-Committee has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The sub-committee is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation’s gender, ethnicity and disability pay gaps.

Our Equality Objectives 2024-2029 have recently been published and are positioned as a dynamic crosscutting framework for advancing and integrating the City Corporation’s commitment to equity, equality, diversity and inclusion as a leader, employer, and service provider. They are collectively owned across all departments and institutions.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

## **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although the West Ham Park charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

In December 2020, a donations page was added to the West Ham Park internet pages, inviting and enabling the public to make on-line donations to the West Ham Park Playground Refurbishment campaign. Individuals are not approached for funds.

The charity has received no complaints in relation to fundraising activities in 2023/24 (2022/23: nil).

## **Public benefit statement**

The trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing West Ham Park aims and objectives and in planning future activities. The purpose of the charity is to maintain and preserve the Park in perpetuity by the City of London Corporation as the Conservators of West Ham Park “as open public grounds and gardens for the resort and recreation of adults and as playgrounds for children and youth.

Consequently, the Trustee considers that West Ham Park operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 30.



## ACHIEVEMENTS AND PERFORMANCE

### Key Targets for 2023/24 and review of achievement

#### **Maintain Green Flag Award and Green Heritage Accreditation for 2023/24**

West Ham Park has won both the Green Flag award and Green Heritage Site Accreditation in 2023/24 and has done so for around 20 years thanks to the dedicated staff and volunteers.

#### **Achieve budgeted income and expenditure targets for West Ham Park Charity**

Delivery of a balanced budget, and achievement of financial savings as required through a combination of reducing expenditure and appropriate income generation activities.

#### **Support the implementation of the restructure involving a review of operational arrangements.**

Staff consultation was launched on 25 January 2023 and final version of restructure was implemented during 2023/2024.

#### **Tree work – complete backlog of tree safety priority works.**

This work was completed during the 2023/24 financial year improving the safety for park users.

#### **Artificial cricket pitches completed at West Ham Park**

This work was completed during the 2023/24 fiscal year and represents an ability of the charity to ensure that cricket remains an accessible activity in the park.

#### **Playground**

The Playground Project is still in progress, we are currently addressing the snagging list, with the work to be completed in 2024/25.

#### **Continued partnership with Lawn Tennis Association (LTA)**

Officers continued to work closely with the Lawn Tennis Association on the provision of tennis at West Ham Park, an update to and modernisation of the tennis coaching agreement, and exploration of the introduction of padel at the park.

#### **ULEZ-compliant vehicles**

No ULEZ compliant vehicles were purchased in 2023/24 due to staffing and budget adjustments following the City Corporation's internal reorganisation. We will work with the Transport Compliance Team to put a plan in place to replace the one non-ULEZ compliant transit van they have at West Ham Park.

#### **Sports partnerships**

Officers worked closely with sports groups and sports facility users to ensure access and inclusive use of the facilities, have worked closely with the Lawn Tennis Association on the provision of tennis at West Ham Park and potential introduction of padel at the park, and developed existing and new sports partnerships as part of the sports-related portion of the park's 150<sup>th</sup> anniversary celebration in July 2024.

## PLANS FOR FUTURE PERIODS

The team will focus on delivering the following key projects over the next 12 months.

**Key projects for 2024/25 include:**

- WHP 150<sup>th</sup> Event – deliver a comprehensive programme of events to celebrate the park's 150<sup>th</sup> anniversary.
- Continue with required tree works - review existing contracts for tree surveys and tree works to ensure best practice and efficiency of operation.
- Complete an update of the West Ham Management Plan
- Maintain Green Flag and Green Heritage Awards
- Work with colleagues to support development of the Income Generation Strategy with respect to Natural Environment Division, North London Open Spaces and West Ham Park.
- Complete procurement for food vendors for all spaces on West Ham Park
- Explore possibilities for projects to increase natural capital and biodiversity net gain across West Ham Park based on recent Natural Capital Audit report.
- Review provision of sports at the park, including tennis and Padel
- Review existing licenses and booking systems for sports facilities on West Ham Park.
- Complete remaining components of playground project, including native hedgerow and tree planting around perimeter.

The Trustee is monitoring the situation and will continue with its plans to hold West Ham Park on trust forever “as open public grounds and gardens for the resort and recreation for adults and as playground for children and youth”.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity's total income for the year was £1,530,711, an overall decrease of £687,966 against the previous year (£2,218,677). The principal source of income was from the City of London Corporation's City's Estate fund (see below).

Income from Charitable Activities comprised £51,684 from fees charged (2022/23: £48,156) and £244,039 from rents (2022/23: £236,620) with income remaining broadly consistent with the previous year.

Donations - being amounts received from the public through donations. Donations can be made on the West Ham Park webpage, to the West Ham Park Playground Refurbishment project. In total, £100 in restricted donations was received during the year (2022/23: £85) with this donations income being fully spent during 2023/24. £530 in unrestricted donations were also received in the year (2022/23: £125).

Interest of £791 from cash held following the sale of property was received (2022/23: £791).

An amount of £1,233,567 (2022/23: £1,932,900) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity. The decrease from the previous year is largely explained by funding received to finance capital expenditure associated with the renovation of the playground in 2022/23.

#### Expenditure

Total expenditure for the year was £1,551,258, with all expenditure relating to charitable activities (2022/23: £1,452,709). The increase in expenditure is due to additional equipment and materials purchases taking place as well as an increase in recharges from support service departments.

#### Funds held

The charity's total funds held decreased by £20,547 to £935,025 as at 31 March 2024 (2022/23: £955,572).

The charity's designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to "un-designate" these funds at any time. Designations as at 31 March 2024 totalled £935,025 (2022/23: £954,091). The decrease in designated funds is due to depreciation being incurred on vehicles and equipment offset slightly by additional capital expenditure in relation to the refurbishment of the playground. These designated funds represent the net book value of fixed assets held.

A restricted fund of £nil (2022/23: £1,481) was held at year-end. The balance of the Campaign Donations for the West Ham Park Playground Refurbishment project was used during 2023/24.

Details of all funds held, including their purposes, is set out within note 14 to the financial statements.

## Reserves

The charity is wholly supported by the City of London Corporation which is committed to maintain and preserve West Ham Park out of its City's Estate Funds. These Funds are used to meet the deficit on running expenses on a year by year basis. Consequently, this charity has no free reserves and a reserves policy is considered by the trustee to be inappropriate.

Donations are now being sought and these may be carried forward but there is currently no intention to hold them as a minimum amount owing to the deficit funded status of the Charity.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
<b>Decline in condition of assets</b>	<p>Schedule of statutory checks and visits are held and carried out by the City Surveyor's Department (CSD) or delegated to officers at the site.</p> <p>Annual inspections of all buildings, including residential properties, are carried out jointly by local officers and CSD to capture maintenance needs.</p> <p>The annual works programme is reviewed regularly with the CSD.</p> <p>A full review of Natural Environment assets is underway. The outcome will include detailed asset management plans for West Ham Park</p>
<b>Budget Pressures</b>	<p>Regular reviewing and forecasting of year end budget position is undertaken with Chamberlain's Department.</p> <p>The new structure includes the appointment of a Head of Business Development for the Natural Environment Division who will focus on income generation.</p>
<b>Adverse impacts of extreme weather and climate change</b>	<p>Increased variety of species planted in order to 'spread the risk', e.g. more drought tolerant species and those better able to cope with a range of temperatures/ rainfall levels. Captured in strategic documents e.g. CoL Tree Strategy SPD.</p> <p>An Extreme Weather Protocol is in place and has been used several times due to recent storms. This improves the ability</p>

	to reduce the risk by closing sites before extreme weather events occur.
<b>Risk to health and safety</b>	Officers continue to develop a positive culture of reporting accidents, incidents and near-misses.
<b>Recruitment of suitable staff</b>	Support and training will be provided for existing and new staff to enable the creation of strong, supportive teams with consistent management support and good development opportunities.
<b>Tree Failure</b>	A tree management system is in place which includes regular inspections. Officers continue to enforce the Extreme Weather Protocol and close relevant sites/parts of sites to be closed during extreme weather events. The Natural Environment Division's Tree Safety Policy will be reviewed in liaison with colleagues across the Division to ensure it is fit for purpose and updated as necessary.
<b>Negative impacts of pests and diseases</b>	Tree inspections for Spring and Summer 2023 were undertaken and resultant works will be carried out. An annual programme is in place for cyclical inspections and is being met. Relationships with industry bodies and neighbouring local authorities continue to be maintained.
<b>Impacts of anti-social behaviour on staff and site public behaviour</b>	Officers continue to work with the Metropolitan Police, schools' liaison and Safer Neighbourhood Teams, and the London Borough of Newham's Community Safety Team as necessary.

There is a comprehensive system in place for monitoring each of these risks and mitigating actions are undertaken including training, strengthening controls and plans of action.

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst,  
Deputy Chairman of Finance Committee  
of The City of London Corporation

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance Committee  
of The City of London Corporation

Guildhall, London  
XX January 2025



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WEST HAM PARK

## Opinion

We have audited the financial statements of West Ham Park ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and 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 31 March 2024 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 are responsible for the other information contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 12 and 13, the Trustee 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 Trustee 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 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 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**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and

regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## 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 charity's 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

**Crowe U.K. LLP**  
Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

XX/XX/XXXX

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2023/24 £	2022/23 £
<b>Income from:</b>					
Voluntary activities	2	530	100	<b>630</b>	210
Charitable activities	3	295,723	-	<b>295,723</b>	284,776
Grant from City of London Corporation	4	1,233,567	-	<b>1,233,567</b>	1,932,900
Investments	5	791	-	<b>791</b>	791
<b>Total income</b>		1,530,611	100	<b>1,530,711</b>	2,218,677
<b>Expenditure on:</b>					
Charitable activities:					
Maintenance and preservation of West Ham Park	6	1,549,677	1,581	<b>1,551,258</b>	1,452,709
<b>Total expenditure</b>		1,549,677	1,581	<b>1,551,258</b>	1,452,709
<b>Net income and net movement in funds</b>		(19,066)	(1,481)	<b>(20,547)</b>	765,968
<b>Reconciliation of funds:</b>					
Total funds brought forward (as at 1 April 2023)	14	954,091	1,481	<b>955,572</b>	189,604
<b>Total funds carried forward</b>	14	935,025	-	<b>935,025</b>	955,572

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 19 to 30 form part of these financial statements.

**BALANCE SHEET****AS AT MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Tangible assets	10	<b>935,025</b>	954,091
<b>Total fixed assets</b>		<b>935,025</b>	954,091
<b>Current assets:</b>			
Debtors	11	<b>26,393</b>	51,789
Cash at bank and in hand		<b>89,930</b>	59,472
<b>Total current assets</b>		<b>116,323</b>	111,261
<b>Creditors: Amounts falling due within one year</b>	12	<b>(116,323)</b>	(109,780)
<b>Net current assets</b>		<b>-</b>	1,481
<b>Total assets less current liabilities</b>		<b>935,025</b>	955,572
<b>The funds of the charity:</b>			
Restricted income funds	14	-	1,481
Unrestricted income funds	14	<b>935,025</b>	954,091
<b>Total funds</b>		<b>935,025</b>	955,572

The notes on pages 19 to 30 form part of these financial statements Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX January 2025

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of Preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the potential ongoing impact of current high inflationary pressures on the financial position, including future income levels and planned expenditure and the liquidity of the charity over the next 12-month period. For these reasons the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets.

**(d) Statement of Cash Flows**

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2023 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, contributions, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. These costs are recharged to the charity and the basis of the cost allocation is set out in note 7.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

**(g) Pension Costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City



of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21 2021/22 and 2022/23 were set at 21%.

## **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **(i) Fixed Assets**

### **Heritage Land and Associated Buildings**

West Ham Park comprises 31 hectares (77 acres) of land, together with associated buildings, located in the London Borough of Newham. The objects of the charity are to hold West Ham Park as open public grounds and gardens for the resort and recreation for adults and as a playground for children and youths. West Ham Park is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured. Heritage assets are reviewed annually for impairment.

### **Tangible Fixed Assets**

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows. Land is not depreciated.

	Years
Equipment	5 to 25

**(j) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

**(k) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Restricted Funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted Income Funds** – these funds can be used in accordance with the charitable objectives at the discretion of the Trustee and includes income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated Funds** – these are funds set aside by the Trustee from the unrestricted funds for a specific purpose.

**(l) Insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	Unrestricted funds	Restricted funds	Total 2023/24	Unrestricted funds	Restricted funds	Total 2022/23
	£	£	£	£	£	£
Donations and legacies	530	100	630	125	85	210

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Charges for use of facilities	51,684	48,156
Rental income	244,039	236,620
<b>Total</b>	<b>295,723</b>	<b>284,776</b>

## 4. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Revenue and capital grants from City of London Corporation	<u>1,233,567</u>	<u>1,932,900</u>

## 5. INCOME FROM INVESTMENTS

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Bank interest	<u>791</u>	<u>791</u>

### Income for the year included:

**Donations** – being amounts received from the public through donations. In December 2020, a donations page was created on the West Ham Park webpage, inviting and enabling the public to make on-line donations to the West Ham Park Playground Refurbishment project.

**Charitable activities** – being amounts generated from the sales of leaflets, books, maps, cards and other publications relating to West Ham Park; charges made to the public for the use of facilities, admissions and services; and rental income from Strutt & Parker in relation to two lodges at 240 and 242 Upton Lane, from Territorial Army and Mobile Refreshment Facility licence respectively.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation's City's Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Investments** - interest from a capital receipt in respect of the sale of property.

## 6. EXPENDITURE

### Expenditure on charitable activities

	Direct costs £	Support costs £	<b>Total 2023/24 £</b>	Direct costs £	Support costs £	Total 2022/23 £
Maintenance and preservation of West Ham Park	<u>1,198,426</u>	<u>352,832</u>	<u>1,551,258</u>	<u>1,118,445</u>	<u>334,264</u>	<u>1,452,709</u>

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of West Ham Park.

### Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24, an audit fee of £6,930 was recharged (2022/23: £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

### Support costs

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	43,046	-	<b>43,046</b>	53,384
Comptroller & City Solicitor	19,008	-	<b>19,008</b>	9,817
Town Clerk	-	5,439	<b>5,439</b>	48,419
City Surveyor	126,536	-	<b>126,536</b>	50,478
Natural Environment directorate	87,027	-	<b>87,027</b>	116,192
Other governance & support costs	15,960	6,930	<b>22,890</b>	22,111
Digital Services	48,886	-	<b>48,886</b>	33,863
Sub-total	340,463	12,369	<b>352,832</b>	334,264
Reallocation of governance costs	12,369	(12,369)	-	-
<b>Total</b>	352,832	-	<b>352,832</b>	334,264

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 8. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 13.2 (2022/23: 13.5).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	<b>2023/24</b>	2022/23
	<b>£</b>	£
Salaries and wages	<b>520,350</b>	515,824
National Insurance costs	<b>47,554</b>	46,371
Employer's pension contributions	<b>88,834</b>	90,072
<b>Total emoluments of employees</b>	<b>656,738</b>	652,267

The number of directly charged employees whose emoluments (excluding employer's NI and pension contribution) for the year were over £60,000 was £nil (2022/23: £nil).

### **Remuneration of Key Management Personnel**

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Natural Environment who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £6,021 (2022/23: £18,906). The members of the Finance Committee of the City of London Corporation are not remunerated and expenses are not reimbursed for acting on behalf of the Trustee during 2023/24 (2022/23: nil).

## **9. HERITAGE ASSETS**

Since 1874 the primary purpose of the charity has been the preservation of West Ham Park for the recreation and enjoyment of the public. As set out in Note 1(i), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of West Ham Park are contained in the West Ham Park Management Plan 2020-25. Records of heritage assets owned and maintained by West Ham Park can be obtained from the Executive Director Environment at the principal address as stated on page 30.

## **10. TANGIBLE FIXED ASSETS**

**Equipment**

£

**Cost**

At 1 April 2023	1,086,598
Additions	6,594
Disposals	-
<b>At 31 March 2024</b>	<b>1,093,192</b>

**Depreciation**

At 1 April 2023	132,507
Charge for the year	25,660
Disposals	-
<b>At 31 March 2024</b>	<b>158,167</b>

**Net book value**

<b>At 31 March 2024</b>	<b>935,025</b>
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At 31 March 2023	954,091
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**11. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Prepayments and accrued income	8,884	11,668
Recoverable VAT	5,008	26,530
Other Debtors	12,501	13,591
<b>Total</b>	<b>26,393</b>	<b>51,789</b>

Other debtors consist of sundry debtors of £11,073 (2022/23: £11,046) and rental debtors of £1,428 (2022/23: £2,545).

**12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Trade creditors	16,346	12,020
Accruals	40,804	20,525
Deferred income	40,099	39,280
Other creditors	19,074	37,955
<b>Total</b>	<b>116,323</b>	<b>109,780</b>

Other creditors consist of sundry creditors of £18,927 (2022/23: £37,809) and sundry deposits of £147 (2022/23: £147).

Deferred income relates to rental income received in advance for periods after the year-end.

	<b>2024</b>	2023
	<b>£</b>	<b>£</b>
<b>Deferred income analysis within creditors:</b>		
Balance at 1 April	39,280	39,279
Amounts released to income	(39,280)	(39,279)
Amounts deferred in the year	40,099	39,280
<b>Balance at 31 March</b>	<b>40,099</b>	<b>39,280</b>

### 13. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Unrestricted income funds			<b>Total at 31 March 2024</b>	Total at 31 March 2023
	General funds	Designated funds	Restricted funds		
	£	£	£		
Tangible assets	-	935,025	-	<b>935,025</b>	954,091
Current assets	116,323	-	-	<b>116,323</b>	111,261
Current liabilities	(116,323)	-	-	<b>(116,323)</b>	(109,780)
<b>Total</b>	-	935,025	-	<b>935,025</b>	955,572

At 31 March 2023	Unrestricted income funds			Total at 31 March 2023	Restated as at 31 March 2022
	General funds	Designated funds	Restricted funds		
	£	£	£		
Tangible assets	-	954,091	-	954,091	109,888
Current assets	109,780	-	1,481	111,261	105,427
Current liabilities	(109,780)	-	-	(109,780)	(104,031)
<b>Total</b>	-	954,091	1,481	955,572	111,284

## 14. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2024 £
Restricted funds:					
Campaign Donations	1,481	100	(1,581)	-	-
<b>Total restricted funds</b>	<b>1,481</b>	<b>100</b>	<b>(1,581)</b>	<b>-</b>	<b>-</b>
Unrestricted funds:					
General funds	-	1,524,017	(1,524,017)	-	-
Designated funds:					
Tangible fixed assets	954,091	6,594	(25,660)	-	<b>935,025</b>
<b>Total designated funds</b>	<b>954,091</b>	<b>6,594</b>	<b>(25,660)</b>	<b>-</b>	<b>935,025</b>
<b>Total unrestricted funds</b>	<b>954,091</b>	<b>1,530,611</b>	<b>(1,549,677)</b>	<b>-</b>	<b>935,025</b>
<b>Total funds</b>	<b>955,572</b>	<b>1,530,711</b>	<b>(1,551,258)</b>	<b>-</b>	<b>935,025</b>

At 31 March 2023	<b>RESTATED</b> Total as at 1 April 2022 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2023 £
Restricted funds:					
Campaign Donations	1,396	85	-	-	<b>1,481</b>
<b>Total restricted funds</b>	<b>1,396</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>1,481</b>
Unrestricted funds:					
General funds	-	1,427,050	(1,427,050)	-	-
Designated funds:					
Tangible fixed assets	188,208	791,542	(25,659)	-	954,091
<b>Total designated funds</b>	<b>188,208</b>	<b>791,542</b>	<b>(25,659)</b>	<b>-</b>	<b>954,091</b>
<b>Total unrestricted funds</b>	<b>188,208</b>	<b>2,218,592</b>	<b>(1,452,709)</b>	<b>-</b>	<b>954,091</b>
<b>Total funds</b>	<b>189,604</b>	<b>2,218,677</b>	<b>(1,452,709)</b>	<b>-</b>	<b>955,572</b>

### Purposes of restricted funds

The restricted fund for 'Campaign Donations' represents funds received from the public through donations. From December 2020, a donations page has been created on the West Ham Park webpage, inviting and enabling the public to make on-line donations to the West Ham Park Playground Refurbishment project. In total £100 was received during the year (2022/23: £85) with the full amount of donations received to date having been spent on the playground project during 2023/24

### Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:



- i. *Fixed Assets* – Equipment is included at historic cost less accumulated depreciation and any impairment. As at 31 March 2024 the net book value of fixed assets relating to direct charitable purposes amounted to £935,025 (2022/23: £954,091).

## 15. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as describe on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 7.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transaction.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	1,233,567 (nil)	1,932,900 (nil)	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity
		352,832 (nil)	334,264 (nil)	Administrative services provided for the charity

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** West Ham Park

Registered charity number 206948

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Juliemma McLoughlin – Executive Director of Environment (resigned 30th November 2023)

Bob Roberts – Interim Executive Director of Environment (appointed 12th July 2023)

Emily Brennan – Director of Natural Environment (appointed 5th June 2023)

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O.Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Contact for The Chamberlain, to request copies of governance documents & of the Annual Report of City's Estate:

[PA-ChamberlainSecretariat@cityoflondon.gov.uk](mailto:PA-ChamberlainSecretariat@cityoflondon.gov.uk)

Hampstead Heath

Incorporating:

Hampstead Heath Trust Fund

Annual Report and Financial Statements for the  
year ended 31 March 2024

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## ORIGINS OF THE CHARITIES

Hampstead Heath is the collective name for an area of land in North London, including Parliament Hill and Golders Hill, a total of 791 acres (320 hectares). The origins of Hampstead Heath lie in the transfer of Hampstead Heath into public ownership on the terms of the Hampstead Heath Act 1871. Subsequent land has been added over the years. The Heath is held by City Corporation, as trustee, as an open space for the recreation and enjoyment of the public. The Heath falls within two London Boroughs: Camden and Barnet.

The Heath was transferred to the London Residuary Body on 1 April 1986, on the abolition of the Greater London Council, and was transferred to the City of London Corporation on 31 March 1989 under provisions of the London Government Reorganisation (Hampstead Heath) Order 1989. This Order covered the transfer of the Heath and the related rights and liabilities, the functions of the Corporation, the financial arrangements, the establishment of the Hampstead Heath Trust Fund for future revenue funding and the Hampstead Heath Works Fund for defraying capital works..

By virtue of the London Government Reorganisation (Hampstead Heath) Order 1989, the City of London Corporation acquired responsibility for the management of Hampstead Heath with effect from 31 March 1989. At the same time, the London Residuary Body transferred £15 million to the City of London Corporation for the establishment of the Hampstead Heath Trust Fund.

The City of London Corporation is committed to conserving the Heath and its wildlife and vegetation and providing recreational facilities for the public appropriate to such an important London open space.

The first detailed management plan for Hampstead Heath was produced in 1995. The plan sets out a framework and policies for the management of the Heath, by identifying management objectives, describing how these are to be achieved and defining procedures for monitoring progress against these objectives. A wide range of public consultation has taken place in order to develop a Vision which provides strategic direction for the site for 2018/28.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing documents for Hampstead Heath are the Hampstead Heath Act 1871 and the London Government Reorganisation (Hampstead Heath) Order 1989. The governing documents for the Hampstead Heath Trust Fund are the London Government Reorganisation (Hampstead Heath) Order 1989 and a Declaration of Trust dated 31 March 1989. The charities are constituted as charitable trusts.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Hampstead Heath and the Hampstead Heath Trust Fund. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Elected members of the City of London Corporation are appointed to the Hampstead Heath, Highgate Wood and Queen's Park Committee, under the terms of the London Government Reorganisation (Hampstead Heath) Order 1989 relating to the Hampstead Heath Management Committee, together with six non City of London Corporation members, one after consultation with the London Borough of Barnet, one after consultation with the London Borough of Camden, one after consultation with the owners of the Kenwood lands and three after consultation with bodies representing local, archaeological, environmental or sporting interests governing Hampstead Heath by the Court of Common Council of the City of London Corporation together with six non City of London Corporation members.

The Finance Committee of the City of London Corporation administers the Hampstead Heath Trust Fund on behalf of the Trustee.

Members of the Court of Common Council are unpaid for support provided to the charities and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the Hampstead Heath charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.

- **Financial Investment Board** - oversees all aspects of the non-property investment arrangements of the City of London's major funds and monitors the Chamberlain's Treasury Management operations.
- **Hampstead Heath, Highgate Wood and Queen's Park Committee** – responsible for the activities undertaken at Hampstead Heath, approving budget allocations for the forthcoming year.
- **Corporate Services Committee** – responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions.
- **Natural Environment Board** – policy and strategic body in relation to the activities of the City Corporation's Natural Environment Division within the Environment Department.

All the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public (except where it is not considered in the charity's best interest to do so), enabling the decision-making process to be clear, transparent, and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk)

[The Hampstead Heath Management Committee was setup for the purposes of advising on and implementing the City of London Corporation's policies and programmes of work and considering any representations from the Hampstead Heath Consultative Committee. The Consultative Committee was established under the 1989 Order to make such representations and consists of representatives of local organisations, sporting interests, nature conservation, the disabled and those concerned with the Heath.](#)

The charities are consolidated within City's Estate as the City of London Corporation exercises operational control over their activities. City's Estate is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London.
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The Trustee believes that good governance is fundamental to the success of the charity. An initial review of governance was undertaken to ensure that the charity is effective in fulfilling its objectives, and further more detailed work is underway as part of a corporate review of the open space charities of which the City Corporation is the trustee. Reference is being made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with their governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer

Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 42.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes seminars and briefings on various aspects of its activities, including those concerning the charity, available to its Members and others serving on committees which are involved with the charity to enable them to carry out their duties efficiently and effectively. If suitable seminars or other training options are identified that are relevant to the charity, Members and other committee members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

### **Hampstead Heath (charity 1)**

The objective of the charity is the preservation of Hampstead Heath in perpetuity, as an open space for the recreation and enjoyment of the public.

In support of these objectives the Hampstead Heath Management Strategy sets out the themes which are underpinned by the Heath Vision; developed in collaboration with stakeholders. The themes are:

- We protect and conserve the Heath.
- The Heath enriches our lives.
- The Heath is inclusive and welcoming.
- Together we care for the Heath.

By means of these outcomes the management of the Heath can be focussed to ensure that the elements vital to the maintenance, care and management of the open space are delivering the objectives of the charity.

### **Hampstead Heath Trust Fund (charity 2)**

By virtue of the London Government Reorganisation (Hampstead Heath) Order 1989, the City of London Corporation acquired responsibility for the management of Hampstead Heath with effect from 31 March 1989. At the same time the London Residuary Body transferred £15 million to the City of London Corporation for the establishment of the Hampstead Heath Trust Fund, the purpose of which is the preservation and enhancement of Hampstead Heath as an open space for recreation and enjoyment of the general public.

Contributions towards the running cost of the Heath are assessed on a triennial basis and increased annually in accordance with the average earnings index. The aim for the Trust Fund is to meet a proportion of the maintenance cost of the Heath. In doing so, it is anticipated that the resulting upkeep and improvements will enhance the use made of the Heath by all of those who visit it.

## **Investment Policy**



The investments are held within both the Hampstead Heath Trust segregated portfolio and the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 42.

### **Volunteers**

Hampstead Heath is particularly successful in providing volunteer opportunities. Working in partnership with a dedicated charity, Heath Hands, Hampstead Heath had a contribution in excess of 13,896 hours of volunteer input for 2023/24.

### **Remuneration Policy**

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 7 to the financial statements.

The City Corporation is committed to equal opportunities for all employees. An Equality, Diversity and Inclusion Sub-Committee has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Sub-Committee is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

### **Fundraising**

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Donations are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory

scheme and does not consider it necessary to comply with any voluntary code of practice.

There is a donations page on the Hampstead Heath webpage, inviting and enabling the public to make on-line donations to Hampstead Heath Bird and Mammal Shelters campaign, Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign, or general Hampstead Heath Charity.

The charity has received no complaints in relation to fundraising activities in 2023/24 (2022/23: £nil). Individuals are not approached for funds; hence the charity does not consider it necessary to design specific procedures to monitor such activities.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Hampstead Heath and the Hampstead Heath Trust Fund's aims and objectives and in planning future activities. The purpose of charity 1 is the preservation in perpetuity of Hampstead Heath as an open space for the recreation and enjoyment of the public; the purpose of charity 2 is the preservation and enhancement of Hampstead Heath as an open space for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Hampstead Heath and Hampstead Heath Trust Fund operate to benefit the general public and satisfy the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 42.

# ACHIEVEMENTS AND PERFORMANCE

## Hampstead Heath's 2023/24 aims together with their outcomes were:

### **Maintain Green Flag Award and Green Heritage Accreditation for 2023/24**

Hampstead Heath has retained both the Green Flag Award and Green Heritage Site Accreditation in 2023/24.

### **Hampstead Heath Bathing Ponds Access Project (capital project)**

The project is proceeding at all three bathing ponds and will continue into the 2024/25 financial year, with an expected completion date of June 2024.

### **Parliament Hill athletics track (capital project)**

The resurfacing works to the athletics track were successfully completed this year, drawing to a close the £2m project. The track was opened on 17 April 2024.

### **Parliament Hill Master Plan**

Public consultation undertaken on a number of potential improvement projects, and the Charity will explore their feasibility in the coming years.

### **Golders Hill Park Zoo – stock to reflect Britain and its native species.**

Successful introduction of more deer stock, as well as endangered wildcats. The project will continue into 2024/25 with improvements to habitation and new additions to stock.

### **Review the Café retendering programme with a review of income generation and market values.**

This has been delayed and will be progressed during 2024/25.

### **Golders Hill Park Pergola**

Temporary works to stabilise the Pergola have been completed by City Surveyors, allowing it to remain open to the public until August 2024.

### **Hampstead Heath Trust Fund's 2023/24 aims together with their outcomes:**

The aim for the Hampstead Heath Trust Fund is to meet a proportion of the maintenance cost of the Heath. In doing so, it is anticipated that the resulting upkeep and improvements will enhance the use made of the Heath by all of those who visit it. In 2023/24, the Trust has contributed £1,175,309 towards the preservation and enhancement of Hampstead Heath as an open space for recreation and enjoyment of the public (2022/23: £1,375,547).

## PLANS FOR FUTURE PERIODS

### **Hampstead Heath**

The team will focus on delivering the following key projects over the next 12 months.

- Work to Golders Hill Park Pergola – work with City Surveyors to identify restoration needs to retain public access.
- Cafe retendering – complete during 2024/25.
- Management plan – perform mid-term review of Hampstead Heath management strategy.
- Ponds access to be completed - snagging list completed and signed off.

- Budgets - perform as per stated budget and continue to maximise income where possible and appropriate.
- Introduction of ANPR across car parks including implementation.
- Complete recruitment of staff following implementation of staffing restructure.

### **Hampstead Heath Trust Fund**

The charity continues to be affected by the global economic environment and the impact of inflation in the UK during 2023/24. There has been a significant recovery in the market value of the investments held by the charity although and, the current economic environment continues to affect the income generating abilities of the charity's investments and may impact upon the future level of distributable income available to meet the grant-making objectives of the charity.

During 2023/24, the charity made several strategic adjustments to manage risk and optimize long-term growth. A resilient global economy, as well as inflation that has continued to moderate, has created a supportive environment for equities, and the charity's portfolio is set to deliver a high calibre of cash flow during 2024/25.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24, the charities total income for the year was £13,248,438 an overall increase of £3,801,441 against the previous year (£9,446,997). The principal source of income was from City of London Corporation's City's Estate fund (see below).

Income from Charitable Activities comprised £3,039,529 from fees charged (2022/23: £2,682,386), £232,553 from rents (2022/23: £228,628) and £688 from sales of goods, products and materials (2022/23: £52,255). Grant Income was not received in 2023/24 (2022/23: £46,845). A busy 2023 summer, in part due to good weather, caused a general increase in the use of facilities. The reduction in income from sales compared with the previous year can be explained by a one-off sale taking place during 2022/23.

£9,956.25 in donations were received to support improvements to the playground (2022/23: £32,160). These donations were fully utilised during the year to support the playground improvements project. Donations can also be made on the Hampstead Heath webpage, to either Hampstead Heath Bird and Mammal Shelters campaign or Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign. In total, £4,337 was received during the year (2022/23: £6,993). An amount was held of £18,617 (2022/23: £18,096) as at 31 March 2024 in a restricted fund for 'Campaign Donations'.

Investment income of £1,360,949 (2022/23: £1,543,905) was received during the year from the Hampstead Heath Trust Fund.

An amount of £8,591,335 (2022/23: £4,841,585) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity. The increase compared with 2022/23 is explained by additional funding received from the City to meet the cost of capital expenditure incurred during the year as well as to fund increased staffing, energy and repairs and maintenance costs compared with the previous year following increases in inflation.

### Expenditure

Total expenditure for the year was £10,259,936 (2022/23: £9,531,552) with charitable activities expenditure in the year totalling £10,074,296 (2022/23: £9,363,193). The increase in expenditure can be explained by higher costs related to staffing and energy attributable to inflationary price rises as noted above as well as an increase in support costs incurred by the charity. Expenditure on raising funds for the year was £185,640 (2022/23: £168,359).

### Funds held

The combined charities total funds held increased by £5,039,534 to £60,281,421 as at 31 March 2024 (2022/23: £55,241,887). The net gain on investments represents the difference in the market value of investments between 1 April 2023 and 31 March 2024 after taking account of any purchases and sales which were made during 2023/24.

Within the total funds held, £36,852,893 (2022/23: £34,973,312) represent permanent and expendable endowment funds.

The permanent endowment is held in perpetuity as a capital fund to generate income for the activities of the charity, with income arising from this capital being available to contribute to the running costs of the Heath in accordance with the terms of the endowment.

The expendable endowment funds are used for the primary objectives of the charity.

Should net income from the endowment funds be greater than the required contribution towards the running costs of the Heath, then the surplus is retained within unrestricted funds held for use in future years in accordance with the objectives of the charity. A surplus of £185,640 was generated in the year (2022/23: £168,358).

Unrestricted funds (General funds) – these funds can be used in accordance with the charitable object at the discretion of the Trustee and include income generated by assets representing unrestricted funds. For the Hampstead Heath Charity this represents surplus of income of £7,311 (2022/23: £3,818). For the Hampstead Heath Trust this represents surplus of income of £902,261 (2022/23: £730,810) over and above expenditure of the Trust distributed annually towards the running costs of the Heath.

The charity's designated funds consist of unrestricted funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to "undesignate" these funds at any time. Designations as at 31 March 2024 totalled £22,485,136 (2022/23: £19,466,773). These represent designated funds within the unrestricted fund which represents the Capital fund and the net book value of fixed assets held.

Restricted funds of £33,819 (2022/23: £67,174) were held at year-end for the Parliament Hill Outdoor Gym project and from campaign donations as well as unspent grant monies received to fund the installation of non-turf pitches at Hampstead Heath.

Details of all funds held, including their purposes, are set out within note 15 to the financial statements.

## Investments performance

The investments are held within both a segregated portfolio primarily invested in UK shares and the City of London Corporation Charities Pool. The performance of these investments are analysed as follows:

### 1) Segregated portfolio

The funds of the charity are managed by Artemis Investment Management LLP.

Market values and performance against benchmarks for the year was as follows:

	Market Value		Returns		Benchmark	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£	£	%	%	%	%
Hampstead Heath Trust	36,694,482	34,102,514	+14.10%	+11.10%	+8.43%	+13.03%
City of London Charities Pool (part of)	827,434	782,826	+14.18%	+11.06%	+8.43%	+13.03%
	<b>37,521,916</b>	<b>34,885,339</b>				

### 2) Hampstead Heath Trust Fund

As at 31 March 2024, the investments held in the Hampstead Heath Trust Fund achieved a return of +14.10% (2022/23: +11.10%) compared to the FTSE All Share Index return of +8.43% (2022/23: +13.03%) Over three years this fund achieved a return of +9.01% (2022/23: +7.41%) compared to the FTSE All Share Index return of +8.05% (2022/23: +5.31%). Over five years, the fund achieved a return of +7.64% (2022/23: +6.25%) compared to the FTSE All Share Index return of +5.44% (2022/23: +4.69%).

Fund	2023/24		2022/23	
	3 years	5 years	3 years	5 years
Fund	+9.01%	+7.64%	+7.41%	+6.25%
FTSE All Share	+8.05%	+5.44%	+5.31%	+4.69%
Fund outperformance	+0.96%	+2.20%	+2.10%	+1.56%

### 3) City of London Corporation Charities Pool

As at 31 March 2024, the investments held in the Charities Pool achieved a return of +14.18% (2022/23: +11.06%) compared to the FTSE All Share Index return of +11.06% (2022/23: +13.03%). Over three years this fund achieved a return of +9.03% (2022/23: +7.35%) compared to the FTSE All Share Index return of +8.05% (2022/23: +5.31%). Over five years, the fund achieved a return of +7.62% (2022/23: +6.16%) compared to the FTSE All Share Index of +5.44% (2022/23: +4.69%).

Fund	2023/24		2022/23	
	3 years	5 years	3 years	5 years
Fund	+9.03%	+7.62%	+7.35%	+6.16%
FTSE All Share	+8.05%	+5.44%	+5.31%	+4.69%
Fund outperformance	+0.98%	+2.18%	+2.04%	+1.47%

### Reserves

The Hampstead Heath Trust contribution towards the running costs of Hampstead Heath is determined in accordance with a formula set out in the governing document. Reserves therefore represent the accumulated net income that cannot be distributed under the existing governance arrangements. Due to the governance arrangements in place, a reserves policy is considered by the trustee to be inappropriate.

Donations for Hampstead Heath Charity are now being sought and that these may be carried forward but there is currently no intention to hold them. The charity is further supported by the City of London Corporation out of its City's Estate Funds.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 22.

### Spending Policy

The reserves policy of the charity is that the original endowment of £15 million (now worth £36.9 million) should produce income to cover a proportion of the running costs of Hampstead Heath. The contribution for 2023/24 of £1,175,309 (2022/23: £1,375,547) consists of £1,148,059 from the permanent endowment (2022/23: £1,348,896), and

income arising from the former T.J. Barratt Trust, which was transferred to the Hampstead Heath Trust Fund in November 2011, of £27,250 (2022/23: £26,651).

Should the actual income earned in any specific year, added to the surpluses from previous years, be less than the contribution based on the funds from the original endowment, then the lower sum is attributed. The Finance Committee may decide that an allocation is to be made from the permanent endowment reserves of the Trust Fund. This is within the terms of the Transfer Order for the original endowment. The contribution of £1,175,309 for 2023/24 from the permanent endowment was met entirely from net income and no further allocation from the permanent endowment reserves was required.



## Principal Risks and Uncertainties

The charities are committed to a programme of risk management as an element of their strategy to preserve the charities assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an ongoing review of activity, and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

### Risks which are specific to Hampstead Heath:

Risk	Actions to manage risks
<b>Outbreak of fire in woodland/heathland</b>	Staff are made aware of extreme weather events and 'Trigger Events.' The Emergency Action Plan and Fire safety audits are reviewed and updated annually. Signage and social media messaging is used to remind visitors not to light fires or barbecues
<b>Maintenance of buildings and equipment</b>	Inspections of operational property are managed, and records kept, by the City Surveyor's Department (CSD). Building defects are reported to CSD's Facilities Management Team to address. Longer term repairs and maintenance are managed through the Cyclical Works Programme (CWP), and where significant costs are likely to be incurred over and above the CWP, additional funding is sought through capital bids.
<b>Climate and Weather</b>	Met Office weather alerts are monitored and cascaded. Site plans are reviewed annually or following an incident, if appropriate. In accordance with the Extreme Weather Protocol, sites are closed during extreme weather events.
<b>Recruitment and retention of staff</b>	A new organisational structure is being implemented. This will include recruitment to several vacancies and the development of a talent management programme.
<b>Delivery of capital projects</b>	Liaise with internal departments to secure funding for capital projects.
<b>Budget Reduction and income loss</b>	Monitor budgets monthly and consider income generation opportunities.
<b>Long term damage to site</b>	Nature recovery/ground restoration works continue as part of the Annual Works Programme. Social media messaging is used to encourage visitors to use the site responsibly.
<b>Ensuring the Health and Safety of staff, contractors, visitors, and volunteers</b>	Proactive Health and Safety management, including audits, inspections, communications, and staffing. Staff patrol non-lifeguarded ponds, particularly during extreme weather conditions. These ponds are clearly signed to emphasise that people should not swim in them. Stewards are available during operating hours at the ponds and Lido to promote safety.

<b>Hampstead Heath Water bodies including Bathing Ponds</b>	Lifeguards receive full training. Rangers regularly check signage, gates and safety equipment at water bodies.
<b>Maintenance of water bodies</b>	A Ponds and Wetlands Plan includes a series of recommendations which are implemented as appropriate.
<b>Tree failure</b>	Tree management systems are place, including regular inspections to identify any trees with structural or health issues. Parts of the Heath or Golders Hill Park are closed in extreme weather conditions.
<b>Plant and Tree Disease</b>	Tree provenance is considered, and planting stock is sourced in accordance with best practice guidance. Targeted caterpillar spraying and nest removal is carried out to reduce Oak Processionary Moth. Staff are vigilant and inspect for other pests and tree diseases.

**Risks which are specific to Hampstead Heath Trust Fund:**

<b>Risk</b>	<b>Actions to manage risks</b>
<b>Decline in income</b>	<ul style="list-style-type: none"> <li>• Implementing strict controls.</li> <li>• The charity's funds are invested by a professional fund manager.</li> <li>• The Financial Investment Board regularly monitors the performance of this fund manager.</li> </ul>
<b>Where the Trustee has a conflict of interest</b>	<ul style="list-style-type: none"> <li>• Those concerned having a specific understanding of trust law.</li> <li>• Adopting the protocol for disclosing any potential conflict</li> </ul>
<b>Losing directly employed staff and/or the support staff</b>	<ul style="list-style-type: none"> <li>• Documenting systems, plans and projects.</li> <li>• Having any necessary training programmes.</li> </ul>

# TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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. They are 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Deputy Henry Nicholas Almroth Colthurst  
Chairman, Finance Committee  
City of London Corporation

Deputy Randall Keith Anderson  
Deputy Chairman, Finance Committee  
City of London Corporation

31 January 2025

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH INCORPORATING HAMPSTEAD HEATH TRUST FUND

## Opinion

We have audited the financial statements of Hampstead Heath incorporating Hampstead Heath Trust Fund for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet and 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 31 March 2024 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 charities 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 contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; 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 14 and 15, 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 charities 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charities ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charities for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charities 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 charities 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

31 January 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income and endowments from:</b>						
Voluntary activities	2	9,001	14,383	-	<b>23,384</b>	51,393
Charitable activities	3	3,272,770	-	-	<b>3,272,770</b>	3,010,114
Grant from City of London Corporation	4	8,591,335	-	-	<b>8,591,335</b>	4,841,585
Investments	5	1,360,949	-	-	<b>1,360,949</b>	1,543,905
<b>Total income and endowments</b>		<b>13,234,055</b>	<b>14,383</b>	<b>-</b>	<b>13,248,438</b>	<b>9,446,997</b>
<b>Expenditure on:</b>						
Raising funds	6	14,189	-	171,451	<b>185,640</b>	168,359
Charitable activities:			-			
Preservation of Hampstead Heath	6	10,026,559	47,737	-	<b>10,074,296</b>	9,363,193
<b>Total expenditure</b>		<b>10,040,748</b>	<b>47,737</b>	<b>171,451</b>	<b>10,259,936</b>	<b>9,531,552</b>
Net gains on investments	11	-	-	2,051,032	<b>2,051,032</b>	585,545
<b>Net income</b>		<b>3,193,307</b>	<b>(33,354)</b>	<b>1,879,581</b>	<b>5,039,534</b>	<b>500,990</b>
<b>Net movement in funds</b>		<b>3,193,307</b>	<b>(33,354)</b>	<b>1,879,581</b>	<b>5,039,534</b>	<b>500,990</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	20,201,401	67,174	34,973,312	<b>55,241,887</b>	54,740,897
<b>Total funds carried forward</b>	15	<b>23,394,708</b>	<b>33,820</b>	<b>36,852,893</b>	<b>60,281,421</b>	<b>55,241,887</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 22 to 42 form part of these financial statements.

# BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Tangible assets	10	22,481,805	19,463,442
Fixed asset investments	11	36,873,090	34,188,534
<b>Total fixed assets</b>		<b>59,354,895</b>	<b>53,651,976</b>
<b>Current assets</b>			
Debtors	12	445,678	1,926,283
Investments	11	471,518	1,105,042
Cash at bank and in hand		1,211,992	883,927
<b>Total current assets</b>		<b>2,129,188</b>	<b>3,915,252</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(1,202,662)</b>	<b>(2,325,341)</b>
<b>Net current assets</b>		<b>926,526</b>	<b>1,589,911</b>
<b>Total assets less current liabilities</b>		<b>60,281,421</b>	<b>55,241,887</b>
<b>The funds of the charity:</b>			
Endowment funds	15	36,852,893	34,973,312
Restricted income funds	15	33,820	67,174
Unrestricted income funds	15	23,394,708	20,201,401
<b>Total funds</b>		<b>60,281,421</b>	<b>55,241,887</b>

The notes on pages 22 to 42 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

31 January 2025

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charities.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Any deficit is funded from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these accounts being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic and current high inflationary pressures on the financial position, including future income levels and planned expenditure and the liquidity of the charity over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets and the recovery of debts.

As one of the key judgements, the Trustee will include fixed investments and their market valuations as key accounting estimates in their consideration of the operating of the charities. The Trustee will be aware that the market valuations included in the financial statements are taken at one single point in time and that the movements on general UK and global stock markets, and the likely impact of them upon the running costs of the Hampstead Heath, will affect their decision making.

#### **(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP (the exemption in FRS102 (paragraph 1.12b)) the Charity is not required to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2024 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charities are legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, contributions, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in note 8.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid. Costs incurred for the administration of the charity are recharged by the Corporation and these costs are included within support costs.

#### **(g) Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate exchange. All gains or losses on translation are taken to Statement of Financial Activities in the year in which they occur.

#### **(h) Pension costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21 2021/22 and 2022/23 were set at 21%.

#### **(i) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(j) Fixed Assets**

##### **Heritage Land and Associated Buildings**

Hampstead Heath comprises 275 hectares (680 acres) of land located in the London Boroughs of Camden and Barnet, together with associated buildings. The object of the charity is the preservation of Hampstead Heath in perpetuity as an open space for the recreation and enjoyment of the public. Hampstead Heath is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings acquired prior to 1 April 2009 are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

## **Tangible fixed assets**

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows. Land is not depreciated.

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 25
Infrastructure	up to 20*
Vehicles	up to 10

With the exception of certain ponds infrastructure whose useful life has been determined at 120 years. The Hampstead Heath Ponds Project major Civil Engineering earthworks/structures (such as the foundations, sheet piling and earth bunds) fall into design working Life category 5 which is set out in the BS EN 1990:2002+A1:2005, Eurocode — Basis of structural design, with Indicative design working Life being 120 years.

### **(k) Investments**

The major part of the investments are in a segregated mandate externally managed by Artemis Investment Management LLP. Hampstead Heath Trust Fund also holds investments in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

### **(l) Stocks**

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the charity operation.

### **(m) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation’s treasury management activities with original maturities of three months or less.

### **(n) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

**Expendable endowment fund** – the purpose of this fund is to provide income for the benefit of the charity as a result of conditions imposed by the original donors and trusts.

**Restricted funds** – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets representing unrestricted funds. Specifically for the Hampstead Heath Trust, this represents the net undistributed income and for Hampstead Heath the surplus unrestricted donations.

**Designated funds** – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

### (o) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

## 2. INCOME FROM VOLUNTARY ACTIVITIES

### Charity 1 – Hampstead Heath

	Unrestricted funds	Restricted funds	Total funds 2023/24	Total funds 2022/23
	£	£	£	£
Donations and legacies	9,001	14,383	<b>23,384</b>	51,393

## 3. INCOME FROM CHARITABLE ACTIVITIES

### Charity 1 - Hampstead Heath

	Unrestricted funds	Total	Total funds
	2023/24	2023/24	2022/23
	£	£	£
Charges for use of facilities	3,039,529	<b>3,039,529</b>	2,682,386
Sales	688	<b>688</b>	52,255
Rental income	232,553	<b>232,553</b>	228,628
Grant income	-	-	46,845
<b>Total</b>	<b>3,272,770</b>	<b>3,272,770</b>	<b>3,010,114</b>

## 4. INCOME FROM THE CITY OF LONDON CORPORATION

<b>Charity 1 - Hampstead Heath</b>	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Revenue and capital grants from City of London Corporation	<b>8,591,335</b>	4,841,585

## 5. INCOME FROM INVESTMENTS

<b>Charity 2 - Hampstead Heath Trust Fund</b>	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Investment income	<b>1,360,911</b>	1,543,942
Interest	<b>37</b>	(37)
<b>Total</b>	<b>1,360,949</b>	1,543,905

### Income for the year included:

**Donations** – being amount received from the public at the ponds and paddling pool as well as donations received for the playground improvements campaign. From March 2021 a donations page has been created on the Hampstead Heath webpage, inviting and enabling the public to make on-line donations to either Hampstead Heath Bird and Mammal Shelters campaign or Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign. This is in addition to unrestricted donations received by the charity.

**Charitable activities** – being amounts generated from the sales of leaflets, books, maps cards and other publications relating to Hampstead Heath; charges made to the public for the use of facilities, admissions and services and from rental income.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation’s City’s Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Investment income** – being the amount received from the Charities Pool and interest receivable on cash balances held on behalf of the Trust.

## 6. Expenditure

### Expenditure on raising funds



## Charity 2 – Hampstead Heath Trust Fund

	Endowment funds	Unrestricted funds	Total funds	Direct costs	Support costs	Total
	Direct costs	Support costs	2023/24			2022/23
	£	£	£	£	£	£
Investment management fees	171,451	6,554	<b>178,005</b>	163,923	6,002	169,925
Interest payable	-	7,635	<b>7,635</b>	-	(1,566)	(1,566)
<b>Total</b>	171,451	14,189	<b>185,640</b>	163,923	4,436	168,359

In line with the Statement of Recommended Practice (SORP) for charities, investment management fees incurred by the Hampstead Heath Trust Fund are charged to the charity's endowment fund with any of the support costs met by the charity's unrestricted fund.

## Expenditure on charitable activities

### Charity 1 – Hampstead Heath

	Unrestricted funds	Restricted funds	Unrestricted funds	Total	Direct costs	Support costs	Total
	Direct costs		Support costs	2023/24			2022/23
	£	£	£	£	£	£	£
Preservation of Hampstead Heath	7,256,724	47,737	1,594,526	<b>8,898,987</b>	6,170,541	1,817,105	7,987,646
<b>Total</b>	7,256,724	47,737	1,594,526	<b>8,898,987</b>	6,170,541	1,817,105	7,987,646

### Charity 2 – Hampstead Heath Trust Fund

	Unrestricted funds	Restricted funds	Unrestricted funds	Total	Direct costs	Support costs	Total
	Direct costs		Support costs	2023/24			2022/23
	£	£	£	£	£	£	£
Preservation of Hampstead Heath	1,175,309	-	-	<b>1,175,309</b>	1,375,547	-	1,375,547
<b>Total</b>	1,175,309	-	-	<b>1,175,309</b>	1,375,547	-	1,375,547

### Charities 1 & 2 – total

	Unrestricted funds	Restricted funds	Unrestricted funds	Total	Direct costs	Support costs	Total
	Direct costs		Support costs	2023/24			2022/23
	£	£	£	£	£	£	£
Preservation of Hampstead Heath	8,432,033	47,737	1,594,526	<b>10,074,296</b>	7,546,088	1,817,105	9,363,193
<b>Total</b>	8,432,033	47,737	1,594,526	<b>10,074,296</b>	7,546,088	1,817,105	9,363,193

## Charitable activities

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Hampstead Heath.

## Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Estate Fund and all of the different charities of which it is Trustee. In 2023/24 an audit fee of £6,930 was recharged

(2022/23: £8,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

### Charity 1 – Hampstead Heath

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	144,096	-	<b>144,096</b>	201,589
Comptroller & City Solicitor	-	-	-	39,017
Town Clerk	-	146,683	<b>146,683</b>	192,443
City Surveyor	329,564	-	<b>329,564</b>	316,311
Natural Environment directorate	582,626	-	<b>582,626</b>	748,033
Other governance & support costs	91,962	6,930	<b>98,892</b>	105,891
Digital Services	292,665	-	<b>292,665</b>	213,821
Sub-total	1,440,913	153,613	<b>1,594,526</b>	1,817,105
Reallocation of governance costs	153,613	(153,613)	-	-
<b>Total</b>	<b>1,594,526</b>	<b>-</b>	<b>1,594,526</b>	<b>1,817,105</b>

### Charity 2 – Hampstead Heath Trust Fund

	Raising funds £	Governance £	2023/24 £	2022/23 £
Chamberlain	14,189	-	14,189	4,436
Total	14,189	-	14,189	4,436

## Charities 1 & 2 – total

	Raising funds £	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:					
Chamberlain	14,189	144,096	-	<b>158,285</b>	206,025
Comptroller & City Solicitor	-	-	-	-	39,017
Town Clerk	-	-	146,683	<b>146,683</b>	192,443
City Surveyor	-	329,564	-	<b>329,564</b>	316,311
Natural Environment directorate	-	582,626	-	<b>582,626</b>	748,033
Other governance & support costs	-	91,962	6,930	<b>98,892</b>	105,891
Digital Services	-	292,665	-	<b>292,665</b>	213,821
Sub-total	14,189	1,440,913	153,613	<b>1,608,715</b>	1,821,541
Reallocation of governance costs	-	153,613	(153,613)	-	-
<b>Total</b>	14,189	1,594,526	-	<b>1,608,715</b>	1,821,541

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 8. DETAILS OF STAFF COSTS

### Charity 1 – Hampstead Heath

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 88 (2022/23: 83).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2023/24 £	2022/23 £
Salaries and wages	<b>4,285,788</b>	3,965,909
National Insurance costs	<b>415,087</b>	405,105
Employer's pension contributions	<b>703,165</b>	639,484
<b>Total emoluments of employees</b>	<b>5,404,040</b>	5,010,498

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was 0.0 (2022/23: 1.0).

	2023/24	2022/23
£60,000 - £69,999	1.0	1.0
<b>Total</b>	<b>1.0</b>	<b>1.0</b>

## Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Natural Environment who manages the seven open spaces for which the City of London Corporation is a charity trustee. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £40,309 (2022/23: £121,711). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £nil were claimed in 2023/24 (2022/23: £nil).

## 9. HERITAGE ASSETS

### Charity 1 – Hampstead Heath

Since 1871 the primary purpose of the charity has been the preservation of Hampstead Heath for the recreation and enjoyment of the public. As set out in Note 1(j), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Hampstead Heath are contained in the Hampstead Heath Management Plan. Records of heritage assets owned and maintained by Hampstead Heath can be obtained from the Executive Director Environment at the principal address as stated on page 42.

## 10. TANGIBLE FIXED ASSETS

### Charity 1 – Hampstead Heath

	Buildings	Infrastructure	Vehicles	Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2023	1,257,724	20,114,667	-	272,479	21,644,870
Additions	-	3,139,017	94,197	-	3,233,214
At 31 March 2024	1,257,724	23,253,684	94,197	272,479	<b>24,878,084</b>
<b>Depreciation</b>					
At 1 April 2023	243,588	1,720,957	-	216,883	2,181,428
Charge for the year	31,641	178,849	-	4,361	214,851
At 31 March 2024	275,229	1,899,806	-	221,244	<b>2,396,279</b>
<b>Net book value</b>					
At 31 March 2024	982,495	21,353,878	94,197	51,235	<b>22,481,805</b>
At 31 March 2023	1,014,136	18,393,710	-	55,596	19,463,442

## 11. FIXED ASSET INVESTMENTS

### Charity 2 – Hampstead Heath Trust Fund

The investments are held within both the Hampstead Heath Trust segregated portfolio and the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	Total 2024 £	Total 2023 £
<b>Long Term Fixed Investments</b>		
Market value 1 April	34,188,534	34,547,175
Additions	7,797,461	11,470,394
Disposals	(7,163,937)	(12,414,578)
(Loss)/gain for the year	2,051,032	585,545
<b>Market value 31 March</b>	<b>36,873,090</b>	34,188,536
<b>Short Term Investments</b>		
Cash held by fund managers	471,518	1,105,042
Other Cash Balances	177,308	177,308
<b>Short Term Investments</b>	<b>648,826</b>	1,282,350
<b>Total investments 31 March</b>	<b>37,521,916</b>	35,470,886
<b>Cost 31 March</b>	<b>32,144,545</b>	32,831,082

Total investments as at 31 March are analysed between long term and short-term investments as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Long term	<b>36,873,090</b>	<b>34,188,533</b>
Short term	<b>648,826</b>	<b>1,282,350</b>
<b>Total</b>	<b>37,521,916</b>	<b>35,470,883</b>

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

	Held in the UK £	Held outside the UK £	<b>Total at 31 March 2024 £</b>	Held in the UK £	Held outside the UK £	Total at 31 March 2023 £
Unit trusts	1,389,982	-	<b>1,389,982</b>	1,149,524	-	1,149,524
Equities	31,836,971	3,646,137	<b>35,483,108</b>	28,495,840	4,543,171	33,039,010
Cash	648,826	-	<b>648,826</b>	1,282,350	-	1,282,350
<b>Total</b>	<b>33,875,779</b>	<b>3,646,137</b>	<b>37,521,916</b>	<b>30,927,714</b>	<b>4,543,171</b>	<b>35,470,885</b>

## 12. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

### Charity 1 – Hampstead Heath

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Rental debtors	<b>26,326</b>	18,825
Prepayments and accrued income	<b>46,577</b>	49,081
Recoverable VAT	<b>26,920</b>	3,700
Other debtors	<b>25,689</b>	36,155
<b>Total</b>	<b>125,512</b>	107,761

### Charity 2 – Hampstead Heath Trust Fund

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Sundry debtors	-	7,579
Other debtors	<b>320,167</b>	1,810,943
<b>Total</b>	<b>320,167</b>	1,818,522

### Charities 1 & 2 – total

	2024	2023
	£	£
Rental debtors	26,326	18,825
Prepayments and accrued income	46,577	49,081
Recoverable VAT	26,920	3,700
Sundry debtors	-	7,579
Other debtors	345,856	1,847,098
<b>Total</b>	<b>445,679</b>	<b>1,926,283</b>

Other debtors consist of non-property related debtors of £25,689 (2022/23: £36,155) and dividends of £320,167 receivable from the fund manager (2022/23: £1,810,943).

### 13. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

#### Charity 1 – Hampstead Heath

	2024	2023
	£	£
Trade creditors	65,560	106,921
Accruals	218,367	185,133
Deferred income	231,654	235,157
Rent deposits	15,425	15,425
VAT liability	41,277	20,634
Other creditors	543,450	176,788
<b>Total</b>	<b>1,115,733</b>	<b>740,058</b>

#### Charity 2 – Hampstead Heath Trust Fund

	2024	2023
	£	£
Bank overdraft	41,433	1,544,157
Other creditors	45,495	41,126
<b>Total</b>	<b>86,928</b>	<b>1,585,283</b>

#### Charities 1 & 2 – total

	2024	2023
	£	£
Bank overdraft	41,433	1,544,157
Trade creditors	65,560	106,921
Accruals	218,367	185,133
Deferred income	231,654	235,157
Rent deposits	15,425	15,425
VAT liability	41,277	20,634
Other creditors	588,945	217,914
<b>Total</b>	<b>1,202,661</b>	<b>2,325,341</b>

	<b>2024</b>	2023
<b>Deferred income analysis within creditors:</b>	<b>£</b>	<b>£</b>
Balance at 1 April	235,157	121,368
Amounts released to income	(235,157)	(121,368)
Amounts deferred in the year	231,654	235,157
<b>Balance at 31 March</b>	<b>231,654</b>	<b>235,157</b>

Deferred income relates to rental income as well as season ticket income for the use of facilities received in advance for periods after the year-end. Other creditors consist of sundry creditors.

## 14. ANALYSIS OF NET ASSETS BY FUND

### Charity 1 – Hampstead Heath

At 31 March 2024	Unrestricted Funds		Restricted Funds	Total at 31 March 2024	Total at 31 March 2023
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	22,481,805	-	<b>22,481,805</b>	19,463,442
Current Assets	1,123,045	3,331	33,820	<b>1,160,196</b>	814,381
Current Liabilities	(1,115,734)	-	-	<b>(1,115,734)</b>	(740,058)
<b>Total</b>	<b>7,311</b>	<b>22,485,136</b>	<b>33,820</b>	<b>22,526,267</b>	<b>19,537,765</b>

At 31 March 2023	Unrestricted Funds		Restricted Funds	Total at 31 March 2023	Total at 31 March 2022
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	19,463,442	-	19,463,442	19,607,668
Current Assets	743,876	3,331	67,174	814,381	755,739
Current Liabilities	(740,058)	-	-	(740,058)	(741,088)
<b>Total</b>	<b>3,818</b>	<b>19,466,773</b>	<b>67,174</b>	<b>19,537,765</b>	<b>19,622,319</b>



## Charity 2 – Hampstead Heath Trust Fund

At 31 March 2024	Unrestricted General funds £	Endowment funds £	Total at 31 March 2024 £	Total at 31 March 2023 £
Fixed assets - investments	(66,732)	36,939,822	<b>36,873,090</b>	34,188,534
Current assets	968,993	-	<b>968,993</b>	3,100,871
Current liabilities	-	(86,928)	<b>(86,928)</b>	(1,585,283)
<b>Total</b>	<b>902,261</b>	<b>36,852,894</b>	<b>37,755,155</b>	<b>35,704,122</b>

At 31 March 2023	Unrestricted General funds £	Endowment funds £	Total at 31 March 2023 £	Total at 31 March 2022 £
Fixed assets - investments		34,188,534	34,188,534	34,547,175
Current assets	730,810	2,370,061	3,100,871	691,225
Current liabilities	-	(1,585,283)	(1,585,283)	(119,822)
<b>Total</b>	<b>730,810</b>	<b>34,973,312</b>	<b>35,704,122</b>	<b>35,118,578</b>

## Charities 1 & 2 – total

At 31 March 2024	Unrestricted Funds		Restricted Funds £	Endowment Funds £	Total at 31 March 2024 £	Total at 31 March 2023 £
	General Funds £	Designated Funds £				
Tangible Assets	-	22,481,805	-	-	<b>22,481,805</b>	19,463,442
Fixed Asset Investments	(66,732)	-	-	36,939,822	<b>36,873,090</b>	34,188,534
Current Assets	2,092,037	3,331	33,820	-	<b>2,129,188</b>	3,915,252
Current Liabilities	(1,115,734)	-	-	(86,928)	<b>(1,202,662)</b>	(2,325,341)
<b>Total</b>	<b>909,571</b>	<b>22,485,136</b>	<b>33,820</b>	<b>36,852,894</b>	<b>60,281,421</b>	<b>55,241,887</b>

At 31 March 2023	Unrestricted Funds		Restricted Funds £	Endowment Funds £	Total at 31 March 2023 £	Total at 31 March 2022 £
	General Funds £	Designated Funds £				
Tangible Assets	-	19,463,442	-	-	19,463,442	19,607,668
Fixed Asset Investments	-	-	-	34,188,534	34,188,534	34,547,175
Current Assets	1,474,686	3,331	67,174	2,370,061	3,915,252	1,446,964
Current Liabilities	(740,058)	-	-	(1,585,283)	(2,325,341)	(860,910)
<b>Total</b>	<b>734,628</b>	<b>19,466,773</b>	<b>67,174</b>	<b>34,973,312</b>	<b>55,241,887</b>	<b>54,740,897</b>

## Expendable endowment movements 2011-2024

	Balance at 1 April	Revaluation of investments	Balance at 31 March	Cash	Expendable endowment
	£	£	£	£	£
Opening	393,461	8,497	401,958	177,308	579,266
2011-2012	401,958	11,764	413,722	177,308	591,030
2012-2013	413,722	58,823	472,545	177,308	649,853
2013-2014	472,545	34,640	507,185	177,308	684,493
2014-2015	507,185	32,680	539,865	177,308	717,173
2015-2016	539,865	(30,719)	509,146	177,308	686,454
2016-2017	509,146	60,784	569,930	177,308	747,238
2017-2018	569,930	5,229	575,159	177,308	752,467
2018-2019	575,159	(5,229)	569,930	177,308	747,238
2019-2020	569,930	(106,075)	463,855	177,308	641,163
2020-2021	463,855	114,223	578,078	177,308	755,386
2021-2022	578,078	27,440	605,518	177,308	782,826
2022-2023	605,518	(13,562)	591,956	177,308	769,264
2023-2024	591,956	58,170	650,126	177,308	<b>827,434</b>

## 15. MOVEMENT IN FUNDS

### Charity 1 – Hampstead Heath

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2024 £
Restricted funds:					
Campaign Donations	18,096	14,383	(13,862)	-	<b>18,617</b>
Parliament Hill Outdoor Gym	2,233	-	-	-	<b>2,233</b>
Installation of Non-Turf Pitches	46,845	-	(33,875)	-	<b>12,970</b>
<b>Total restricted funds</b>	<b>67,174</b>	<b>14,383</b>	<b>(47,737)</b>	<b>-</b>	<b>33,820</b>
Unrestricted funds:					
General funds	3,819	8,639,894	(8,636,401)	-	<b>7,312</b>
Designated funds:					
Tangible fixed assets	19,463,442	3,233,212	(214,849)	-	<b>22,481,805</b>
Capital fund	3,331	-	-	-	<b>3,331</b>
<b>Total unrestricted funds</b>	<b>19,470,592</b>	<b>11,873,106</b>	<b>(8,851,250)</b>	<b>-</b>	<b>22,492,448</b>
<b>Total funds</b>	<b>19,537,766</b>	<b>11,887,489</b>	<b>(8,898,987)</b>	<b>-</b>	<b>22,526,268</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2023 £
Restricted funds:					
Campaign Donations	7,352.0	42,904	(32,160.0)	-	18,096
Parliament Hill Outdoor Gym	2,233.0	0	-	-	2,233
Installation of Non-Turf Pitches	-	46,845	-	-	46,845
<b>Total restricted funds</b>	<b>9,585</b>	<b>89,749</b>	<b>(32,160)</b>	<b>-</b>	<b>67,174</b>
Unrestricted funds:					
General funds	1,735	7,751,373	(7,749,290)	-	3,819
Designated funds:					
Tangible fixed assets	19,607,668	61,970	(206,196)	-	19,463,442
Capital fund	3,331	-	-	-	3,331
<b>Total unrestricted funds</b>	<b>19,612,734</b>	<b>7,813,343</b>	<b>(7,955,486)</b>	<b>-</b>	<b>19,470,592</b>
<b>Total funds</b>	<b>19,622,319</b>	<b>7,903,092</b>	<b>(7,987,646)</b>	<b>-</b>	<b>19,537,766</b>

## Charity 2 – Hampstead Heath Trust Fund

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2024 £
Endowment funds:						
Expendable endowment	769,264	-	-	58,170	-	<b>827,434</b>
Permanent endowment	34,204,048	-	(171,451)	1,992,862	-	<b>36,025,459</b>
<b>Total endowment funds</b>	<b>34,973,312</b>	<b>-</b>	<b>(171,451)</b>	<b>2,051,032</b>	<b>-</b>	<b>36,852,893</b>
Unrestricted funds:						
General funds	730,810	1,360,949	(1,189,498)	-	-	<b>902,261</b>
<b>Total funds</b>	<b>35,704,122</b>	<b>1,360,949</b>	<b>(1,360,949)</b>	<b>2,051,032</b>	<b>-</b>	<b>37,755,154</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2023 £
Endowment funds:						
Expendable endowment	782,826	-	-	(13,562)	-	<b>769,264</b>
Permanent endowment	33,768,864	-	(163,923)	599,107	-	<b>34,204,048</b>
<b>Total endowment funds</b>	<b>34,551,690</b>	<b>-</b>	<b>(163,923)</b>	<b>585,545</b>	<b>-</b>	<b>34,973,312</b>
Unrestricted funds:						
General funds	566,888	1,543,905	(1,379,983)	-	-	<b>730,810</b>
<b>Total funds</b>	<b>35,118,578</b>	<b>1,543,905</b>	<b>(1,543,906)</b>	<b>585,545</b>	<b>-</b>	<b>35,704,122</b>

## Charities 1 & 2 – total

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2024 £
Endowment funds:						
Permanent endowment funds	34,204,048	-	(171,451)	1,992,862	-	<b>36,025,459</b>
Expendable endowment funds	769,264	-	-	58,170	-	<b>827,434</b>
<b>Total endowment funds</b>	<b>34,973,312</b>	<b>-</b>	<b>(171,451)</b>	<b>2,051,032</b>	<b>-</b>	<b>36,852,893</b>
Restricted funds:						
Campaign Donations	18,096	14,383	(13,862)	-	-	<b>18,617</b>
Parliament Hill Outdoor Gym	2,233	-	-	-	-	<b>2,233</b>
Installation of Non-Turf Pitches	46,845	-	(33,875)	-	-	<b>12,970</b>
<b>Total restricted funds</b>	<b>67,174</b>	<b>14,383</b>	<b>(47,737)</b>	<b>-</b>	<b>-</b>	<b>33,820</b>
Unrestricted funds:						
General funds	734,628	10,000,843	(9,825,899)	-	-	<b>909,572</b>
Designated funds:						
Tangible fixed assets	19,463,442	3,233,212	(214,849)	-	-	<b>22,481,805</b>
Capital fund	3,331	-	-	-	-	<b>3,331</b>
<b>Total unrestricted funds</b>	<b>20,201,401</b>	<b>13,234,055</b>	<b>(10,040,748)</b>	<b>-</b>	<b>-</b>	<b>23,394,708</b>
<b>Total funds</b>	<b>55,241,887</b>	<b>13,248,438</b>	<b>(10,259,936)</b>	<b>2,051,032</b>	<b>-</b>	<b>60,281,421</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2023 £
Endowment funds:						
Permanent endowment funds	33,768,864	0	(163,923)	599,107	0	34,204,048
Expendable endowment funds	782,826	-	-	(13,562)	-	769,264
<b>Total endowment funds</b>	<b>34,551,690</b>	<b>-</b>	<b>(163,923)</b>	<b>585,545</b>	<b>-</b>	<b>34,973,312</b>
Restricted funds:						
Campaign Donations	7,352.0	42,904	(32,160.0)	-	-	18,096
Parliament Hill Outdoor Gym	2,233.0	0	-	-	-	2,233
Installation of Non-Turf Pitches	-	46,845	-	-	-	46,845
<b>Total restricted funds</b>	<b>9,585</b>	<b>89,749</b>	<b>(32,160)</b>	<b>-</b>	<b>-</b>	<b>67,174</b>
Unrestricted funds:						
General funds	568,623	9,295,278	(9,129,273)	-	-	734,628
Designated funds:						
Tangible fixed assets	19,607,668	61,970	(206,196)	-	-	19,463,442
Capital fund	3,331	-	-	-	-	3,331
<b>Total unrestricted funds</b>	<b>20,179,622</b>	<b>9,357,248</b>	<b>(9,335,469)</b>	<b>-</b>	<b>-</b>	<b>20,201,401</b>
<b>Total funds</b>	<b>54,740,897</b>	<b>9,446,997</b>	<b>(9,531,552)</b>	<b>585,545</b>	<b>-</b>	<b>55,241,887</b>

## **Purpose of the endowment funds**

The expendable endowment fund is invested as a capital fund to generate income for the activities of the charity. Any income generated is used in accordance with the objectives of the trust. The purpose of this fund is to provide net income to be used to contribute towards the running costs of the Heath, transferred from the former T J Barratt bequest in December 2011.

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Before any potential gains on investments are considered, should net income be more than any year's contribution to the running costs of the Heath, then the surplus funds are retained as unrestricted funds to be used in future years. During 2023/24 the surplus was £185,640 (2022/23: £168,358). Should the actual income earned in any specific year, added to the surpluses from previous years, be less than the contribution based on the funds from the original endowment, then the lower sum is attributed. The Finance Committee may decide that an allocation is to be made from the permanent endowment reserves of the Trust Fund. This is within the terms of the Transfer Order for the original endowment.

## **Purposes of restricted funds**

The restricted fund represents funds received from London Borough of Camden (Sports and Physical Activity Service) for the creation of a new outdoor gym at Parliament Hill. This is in addition to a grant received from the England and Wales Cricket Board for the supply and installation of non turf pitches at Parliament Hill and the Heath Extension as well as unspent campaign donations.

## **Purposes of designated funds**

Designated funds have been set aside by the Trustee for the following purposes:

- i. *Fixed Assets* – these are included at historic cost less depreciation on a straight line basis to write off their costs over their estimated useful lives and less any provision for impairment. As at 31 March 2024 the net book value of fixed assets relating to direct charitable purposes amounted to £22,481,805 (2022/23: £19,463,442). There were additions of £3,233,214 during the year relating to the Parliament Hill Athletics Track Resurfacing, Swimming Facilities and Mixed Pond Rewire projects as well as for the purchase of vehicles acquired during 2023/24.
- ii. *Capital Fund* - as part of an Open Spaces wide Fleet Management project a disposal exercise of redundant fleet and equipment was undertaken. It was agreed to use the income raised to fund energy efficiency improvement works. The installation of photovoltaic energy panels at the Lido, Hampstead Heath was completed.

## **16. RELATED PARTY TRANSACTIONS**

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 7.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>8,591,335</b> <b>(nil)</b>	4,841,585 (nil)	The City of London Corporation's City's Cash meets the deficit on running expenses of the charity
		<b>1,594,526</b> <b>(nil)</b>	1,817,105 (nil)	Administrative services provided for the charity
		<b>19,650</b> <b>(nil)</b>	23,405 (nil)	Distribution from the Charities Pool and interest receivable on cash balances
Hampstead Heath Trust Fund	The Hampstead Heath Trust Fund is incorporated within the Hampstead Heath financial statements as a linked charity.	<b>1,175,309</b> <b>(nil)</b>	1,375,547 (nil)	Contribution to preservation and enhancement of Hampstead Heath as an open space

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAMES:** Hampstead Heath, Hampstead Heath Trust Fund

Registered charity number: 803392, 80339-1

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Juliemma McLoughlin – Executive Director of Environment (resigned 30<sup>th</sup> November 2023)

Bob Roberts – Interim Executive Director of Environment (appointed 12<sup>th</sup> July 2023)

Emily Brennan – Director of Natural Environment (appointed 5<sup>th</sup> June 2023)

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O.Box 1000, BX1 1LT

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & City's Estate Officer, to request copies of governance documents & of the Annual Report of City's Estate: [CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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Sir Thomas Gresham Charities

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 221982

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## ORIGINS OF THE CHARITY

Sir Thomas Gresham (1519-1579) built his London Mansion House, Gresham House in Bishopsgate, in collegiate form. In his Will dated 5 July 1575 (the Will) Sir Thomas Gresham devised the Royal Exchange to the City Corporation and the Worshipful Company of Mercers (the Mercers), subject to specific payments. Under the Will the City Corporation was also separately bequeathed eight Alms Houses and had obligations to place or put “poor or impotent” persons into the Alms Houses. In addition, under the Will, the City Corporation and the Mercers were bequeathed Gresham’s mansion house and were required jointly with the Mercers to use it to provide lodgings for certain lecturers and to provide a place read their lectures. These obligations relating to the Alms Houses and the lecturers/lectures were amended by an Act of Parliament of 1768 by which the Gresham mansion house and Alms Houses were sold to the Crown in return for a £500 annuity from the Crown in perpetuity.

Sir Thomas Gresham Charities now carries out the following obligations which derive from the Will as supplement by the Act of Parliament of 1768:

- i. to pay £53.6s.8d (£6.13s.4d each) per annum to the Almsfolk;
- ii. to pay £50 per annum each to four lecturers in Divinity, Astronomy, Music and Geometry;
- iii. to provide proper alternative accommodation for the eight Almsfolk and
- iv. to provide the lecturers with £50 in lieu of lodgings.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document is the will of Sir Thomas Gresham Charities dated 5 July 1575 as supplemented by an Act of Parliament in 1768. The obligations undertaken by Sir Thomas Gresham Charities are trusts or undertakings and therefore institutions and charities within the meaning of the Charities Act 2011.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of Sir Thomas Gresham Charities. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of these charities to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charities during 2023/24 were as follows:

**The Gresham Committee (City Side) of the City of London Corporation** administers the charities on behalf of the Trustee. This committee comprises Aldermen and Common Councilmen elected to the City of London Corporation and appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation. In 2023/24 the membership of the committee was as follows:

Deputy Charles Edward Lord OBE JP  
(Chair)

Deputy Nighat Quereshi (Deputy Chair)

Alderman Alexander Robertson Martin  
Barr

Deputy Keith David Forbes Bottomley

Deputy Simon Duckworth OBE DL

Deputy Christopher Michael Hayward

Alderman Vincent Keaveny, CBE

Wendy Mead OBE

Deputy Henry Pollard

Deputy Dr Giles Shilson

Deputy Philip Woodhouse

The Rt. Hon. The Lord Mayor,  
Professor Michael Mainelli (Ex-Officio  
Member)

The above committee is ultimately responsible to the Court of Common Council of the City of London.

The charities are consolidated within City's Estates as the City of London Corporation exercises operational control over their activities. City's Estates are a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estates to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance commenced during the year and is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The objectives of the charity are the provision of accommodation for the eight Almsfolk; the annual payment of the required sum to the Almsfolk; and the required annual payments to the four Gresham college lecturers in Divinity, Astronomy, Music and Geometry as detailed below.

The aims for the Sir Thomas Gresham Charities are:

- To ensure all the Gresham Almshouses properties continue to remain occupied and that the residents are satisfied with the management of their home;
- To ensure routine repairs are completed within specified response times;
- To pay the Almsfolk an allowance each year in accordance with terms of the Sir Thomas Gresham will and funding policy and to provide all residents with a hamper at Christmas;
- That all the occupants of the Almshouses continue to meet the current eligibility criteria and adhere to their letter of appointment; and
- To pay annual payments of a total of £100 to each of the four Gresham College lecturers in Divinity, Astronomy, Music and Geometry.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 20.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Sir Thomas Gresham Charities' aims and objectives and in planning future activities. The purposes of the charities are the provision of accommodation for the eight Almsfolk (known as the Gresham Almshouses); the annual payment of an allowance to the Almsfolk; and the annual payments to the four Gresham college lecturers in Divinity, Astronomy, Music and Geometry.

Consequently, the Trustee considers that the Sir Thomas Gresham Charities operate to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 20.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Gresham Almshouses**

During 2023/24 all targets in relation to the Gresham Almshouses were achieved. Work to review the quality of accommodation is ongoing with a program of remedial works being identified and actioned in 24-25.

Routine repairs and maintenance were promptly carried out, an annual allowance was paid to the almsfolk and all residents were provided with a hamper at Christmas.

### **Gresham Lecturers**

The annual payments totalling of £100 was paid to each of the four Gresham College lecturers in Divinity, Astronomy, Music and Geometry.

## **PLANS FOR FUTURE PERIODS**

The objectives for 2024/25 are to meet all the objectives set out on page 3 of this report, and:

The Trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 12.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24 the charity's total income for the year was £105,513, an overall increase of £19,561 against the previous year (2022/23: £85,952).

The key contributor to income was an amount of £101,714 (2022/23: £84,472) received from the City of London Corporation's City's Estate Fund as a contribution towards the running costs of the charity. This grant funds the excess of expenditure over income, excluding lease amortisation.

A small amount of income is received from investments held.

### Expenditure

Total expenditure for the year was £106,976, all being for the category charitable activities (2022/23: £87,415).

Expenditure on charitable activities consisted of: maintenance of the Almshouses at £95,341 (2022/23: £76,347) including lease amortisation of £1,463 (2022/23: £1,463); almsfolk allowances costing £8,715 (2022/23: £8,668), independent examiners' fees of £2,520 (2022/23: £2,000) and Gresham Lecturers' payments of £400 (2022/23: £400).

### Funds held

The charity total funds held decreased by £1,396 or 1% to £138,298 as at 31 March 2024 (2022/23: £139,695).

Details of all funds held, including their purposes, is set out within note ten to the financial statements.

### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

**Investments performance**

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	<b>+9.0%</b>	<b>7.6%</b>	14.1%	5.6%
FTSE All Share	<b>+8.1%</b>	<b>5.4%</b>	13.8%	5.0%
Fund outperformance	<b>+0.9%</b>	<b>2.2%</b>	0.3%	0.6%

**Reserves**

The charity is wholly supported by the City of London Corporation which owns and maintains the Almshouses provided by the charity out of its City's Estates Fund. This Fund is used to meet the deficit on running expenses on a year by year basis. Consequently, this charity has no free reserves and a reserves policy is considered by the Trustee to be inappropriate.

**Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an ongoing review of activity and that appropriate advice and support is provided. A key risk register is prepared for the charity and reviewed annually by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.



## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Colthurst

Chairman of Finance Committee  
of The City of London Corporation

Guildhall, London

xx January 2023

Randall Anderson

Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

## **Independent examiner's report to the Trustee of Sir Thomas Gresham Charity**

I report to the Trustee on my examination of the accounts of Sir Thomas Gresham Charity for the year ended 31 March 2024 which are set out on pages 10 to 19.

This report is made solely to the charity's Trustee, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's Trustee as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity Trustee of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

		<b>Unrestricted Funds</b>	Unrestricted Funds
	Notes	<b>2023/24</b>	2022/23
		£	£
<b>Income from:</b>			
Grant from City of London Corporation	2	<b>101,714</b>	84,472
Investments	3	<b>3,799</b>	1,480
<b>Total income</b>		<b>105,513</b>	85,952
<b>Expenditure on:</b>			
Charitable activities	4	<b>106,976</b>	87,415
<b>Total expenditure</b>		<b>106,976</b>	87,415
Net gains on investments	7	<b>66</b>	(15)
<b>Net (expenditure) and net movement in funds</b>		<b>(1,397)</b>	(1,478)
<b>Reconciliation of funds:</b>			
Total funds brought forward	9	<b>139,695</b>	141,173
<b>Total funds carried forward</b>	9	<b>138,298</b>	139,695

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 9 to 18 form part of these financial statements.

**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets</b>			
Investments	7	736	670
<b>Total fixed assets</b>		<b>736</b>	<b>670</b>
<b>Long term assets</b>			
Debtor - operating lease	9	137,562	139,025
<b>Total net assets</b>	10	<b>138,298</b>	<b>139,695</b>
<b>The funds of the charities:</b>			
Designated funds	11	137,562	139,025
Unrestricted income funds	11	736	670
<b>Total funds</b>		<b>138,298</b>	<b>139,695</b>

The notes on pages 11 to 18 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

xx January 2023

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. Funding is provided from the City of London Corporation's City's Estate. The Trustee considers the level of grant funding received and plans activities as a result of this. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has given regard to future income levels and the liquidity of the charity over the next 12-month period from the date of these financial statements being signed, and has not identified any indication that the charity will not be able to meet liabilities, including planned liabilities, as they fall due. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

#### **(d) Statement of Cash Flows**

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirements to produce a statement of cash flows on the grounds that it is a small charity.

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of grants and investment income.

The City of London Corporation's City's Estate Fund meets the deficit on running expenses of the charity. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed and is recognised in the SOFA at this point.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the category of 'expenditure on charitable activities'. 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. From 2021/22 the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities.

#### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

#### **(i) Funds structure**

Income, expenditure and gains/losses are allocated to the unrestricted general fund, the purpose of which is shown below:

**Unrestricted general funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Unrestricted designated funds** – these funds represent the value of the lease of the Almshouses site.

**(j) Lease of Almshouses site**

The City of London Almshouses (CoLA, charity number 1005857) owns the site on which the Gresham Almshouses are situated. An agreement was entered into with CoLA dated 7 December 1994 for the lease of the site for the next 123 years for the sum of £180,000 (with no further rent payable). The value of the lease is amortised on a straight-line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term debtor as set out in note 9. The Trustee considers the upfront payment to be a prepayment of rent over the life of the lease, and so considers the treatment as a debtor (as opposed to a tangible fixed asset) to be appropriate.

**(k) Indemnity insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

## 2. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Revenue grant from City of London Corporation	<b>101,714</b>	84,472



### 3. INCOME FROM INVESTMENTS

	Unrestricted Funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Income from investments	<b>22</b>	27
Interest Income	<b>3,777</b>	1,453
Total	<b>3,799</b>	1,480

### 4. CHARITABLE EXPENDITURE

	Total <b>2023/24</b> £	Total 2022/23 £
Almshouses running costs	<b>95,341</b>	76,347
Almsfolk allowances	<b>8,715</b>	8,668
Independent Examiner's fee	<b>2,520</b>	2,000
Mandatory element of lecturers' fees	<b>400</b>	400
<b>Total</b>	<b>106,976</b>	87,415

### 5. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 8 (2022/23: 9)

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	<b>2023/24</b> £	2022/23
Salaries and wages	<b>20,529</b>	23,339
NI	<b>2,196</b>	2,684
Employers pension contributions	<b>4,404</b>	4,993
Total emoluments of employees	<b>27,129</b>	31,016

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was nil (2022/23: nil).

## 6. INDEPENDENT EXAMINER'S REMUNERATION

Crowe LLP are the auditors of the City of London's City's Estate Fund and provide assurance services to all of the different charities of which it is Trustee. The City of London Corporation charges the fee to its City's Cash Fund. From 2023/24, the City Corporation, as Trustee, seeks reimbursement for the fee incurred for the independent examination of each of its charities, which was previously funded by City's Cash. In 2023/24 an independent examiner's fee of £2,520 (2022/23: £2,000). No other services were provided to the charity by its independent examiners during the year (2022/23: £nil).

## 7. TRUSTEE EXPENSES

Members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	2023
	£	£
Market value 1 April	670	685
Gain for the year	66	(15)
<b>Market value 31 March</b>	<b>736</b>	670
<b>Cost 31 March</b>	<b>366</b>	366
Units held in Charities Pool	<b>74</b>	74

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

	Held in the UK	Held outside the UK	<b>Total at 31 March 2024</b>	Held in the UK	Held outside the UK	Total at 31 March 2023
	£	£	£	£	£	£
Equities	618	81	<b>699</b>	545	76	621
Pooled Units	29	-	<b>29</b>	39	-	39
Cash held by Fund Manager	7	-	<b>7</b>	10	-	10
<b>Total</b>	<b>654</b>	<b>81</b>	<b>736</b>	<b>594</b>	<b>76</b>	<b>670</b>

**9. DEBTORS**

	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	£	£
Operating Lease Debtor	<b>137,562</b>	139,025
Split between:		
Amounts due not later than one year	<b>1,463</b>	1,463
Amounts due later than one year and not later than five years	<b>136,099</b>	137,562
<b>Total</b>	<b>137,562</b>	139,025

**10. ANALYSIS OF NET ASSETS BY FUND**

<b>At 31 March 2024</b>	<b>Unrestricted funds</b>	Unrestricted funds
	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	£	£
Fixed assets - investments	<b>736</b>	670
Long term assets - debtor	<b>137,562</b>	139,025
<b>Total</b>	<b>138,298</b>	139,695

At 31 March 2023	Unrestricted funds	Unrestricted funds
	Total at 31 March 2023	Total at 31 March 2022
	£	£
Fixed assets - investments	670	685
Long term assets - debtor	139,025	140,488
<b>Total</b>	<b>139,695</b>	141,173

**Long term assets – debtor:** City of London Almshouses (CoLA) owns the site on which the Gresham Almshouses are situated. An agreement was entered into with CoLA dated 7 December 1994 for the lease of the site for the next 123 years for the sum of £180,000. The value of the lease is amortised on a straight-line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term debtor.

## 11. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total as at 1 April 2023 £	Income £	Expenditure £	Gains £	<b>Total as at 31 March 2024 £</b>
Unrestricted funds:					
General funds	670	105,513	(105,513)	66	<b>736</b>
Designated funds	139,025	-	(1,463)	-	<b>137,562</b>
<b>Total Funds</b>	<b>139,695</b>	<b>105,513</b>	<b>(106,976)</b>	<b>66</b>	<b>138,298</b>

<b>At 31 March 2023</b>	Total as at 1 April 2022 £	Income £	Expenditure £	Gains £	<b>Total as at 31 March 2023 £</b>
Unrestricted funds:					
General funds	685	85,952	(85,952)	(15)	670
Designated funds	140,488	-	(1,463)	-	139,025
<b>Total funds</b>	<b>141,173</b>	<b>85,952</b>	<b>(87,415)</b>	<b>(15)</b>	<b>139,695</b>

The designated fund represents the remaining value of the lease of the Almshouse site.

## 12. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and

Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

<b>Related party</b>	<b>Connected party</b>	<b>2023/24 £</b>	<b>2022/23 £</b>	<b>Detail of transaction</b>
City of London Almshouses (CoLA)	The City of London Corporation is the Trustee for CoLA, which owns the site on which the Gresham Almshouses are situated	<b>1,463</b>	1,463	The charity entered into a 125 year lease of the site from CoLA as per the agreement dated 7 December 1994
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>101,714 income, 38,200 expenditure</b>	85,925 income, 34,313 expend.	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity (income of £104,971), and recharges expenditure on staff time (£27,129) and other administrative costs (£11,071)
Charities Pool	The Trustee of the Charity	<b>22</b>	27	Distribution from the Charities Pool

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Sir Thomas Gresham Charities

Registered charity number: 221982

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE – The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Community and Children's Services**

Judith Finlay – Executive Director of Community and Children's Services

**Independent Examiner**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents and of the Annual Report of City's Estates:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

Keats House

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 1053381

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## **ORIGINS OF THE CHARITY**

In 1921, a body called the Keats Memorial House Committee appealed to the public for funds to purchase the property and archive from the then private owners to save it from being destroyed or dissipated, and in order to preserve John Keats' former home in which most of the poet's finest work was written. The public appeal was successful, and the property was acquired and vested in the then Corporation of Hampstead "as a permanent trust to be restored and equipped with relics of the poet and to be maintained in perpetuity as a Keats Museum and a live memorial to his genius, a shrine of pilgrimage for his worldwide admirers and a literary meeting place and centre". Camden Borough Council became the successors of the former Corporation of Hampstead on 1 April 1965, pursuant to the London Government Act 1963.

Keats House was registered as a charity in March 1996. The City of London Corporation acquired ownership of the land and buildings and responsibility for the administration and management of Keats House with effect from 1 January 1997.

## TRUSTEE ANNUAL REPORT

### STRUCTURE AND GOVERNANCE

#### GOVERNING DOCUMENTS

The governing document is the Scheme of the Charity Commissioners, sealed 6 November 1996. The charity is constituted as a charitable trust.

#### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Keats House. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Aldermen and Members, and where relevant, external appointees. The Court annually appoints the Culture, Heritage and Libraries Committee from among its elected Aldermen and Members to govern the Charity on its behalf, taking into consideration particular expertise and knowledge. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee:** responsible for allocating resources and administering the charity.
- **Finance Committee:** responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee:** responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Culture, Heritage and Libraries Committee:** responsible for the activities undertaken at Keats House, approving budget allocations for the forthcoming year and acting as trustee of the charity.
- **Keats House Consultative Committee:** responsible for guiding and advising on the activities of the charity.
- **Corporate Services Committee:** responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trades unions.

All the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent, and publicly accountable. Details of the membership of Committees of the City of London Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk)

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over their activities. City's Estate is a fund of the City of London Corporation that can be traced back to the 15<sup>th</sup> century and has been built up from a combination of properties, land, bequests, and transfers under statute since that time.

City's Estate investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London.
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objective. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

### **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 32.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of London Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

Following the completion of the City Corporation's organisational restructure (TOM2), Keats House remained within the Natural Environment Division of the Environment Department in 2023/24. From May 2023, a new Culture & Projects section was established within Natural Environment, headed by an Assistant Director and with a Head of Heritage & Museums role, to whom the Keats House operational team report.

### **INDUCTION AND TRAINING OF MEMBERS**

The City of London Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of Keats House. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

The objective of the charity is “to preserve and maintain and restore for the education and benefit of the public the land with the buildings known as Keats House as a museum and live memorial to John Keats and as a literary meeting place and centre”.

The charity shall first defray out of the income of the charity the cost of maintaining the property (including the repair and insurance of any buildings thereon) and all other charges and outgoings payable in respect thereof and all the proper costs, charges and expenses of and incidental to the administration and management of the charity.

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

The activities of the Keats House Charity are guided by its Charitable Object as stated above and developed within the framework of the City Corporation’s Corporate Plan 2018/23 and the Open Spaces Business Plan 2022/23. Activities are also aligned with the City Corporation’s Cultural Strategy and the Hampstead Heath Management Strategy 2018-2028, as well as the wider aims of heritage sector organisations such as Arts Council England, the Heritage Lottery Fund and The National Archives.

The specific objectives for the year are detailed below under Plans for Future Periods.

### **Remuneration Policy**

The charity’s senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of bonuses and recognition awards.

The above policy applies to staff within the charity’s key management personnel, as defined within note 9 to the financial statements.

Our Equality Objectives 2024-2029 have recently been published and are positioned as a dynamic crosscutting framework for advancing and integrating the City Corporation’s commitment to equity, equality, diversity and inclusion as a leader, employer, and service provider. They are collectively owned across all departments and institutions.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

### **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although Keats House charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as “voluntary income”, including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The

day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

There is a donations page on the Keats House webpage, inviting and enabling the public to make on-line donations to either the Keats200 Legacy Programme and/or the Keats House Garden Enhancement project.

The charity has received no complaints in relation to fundraising activities in the current year 2023/24 (2022/23: nil). Individuals are not approached for funds; hence the charity does not consider it necessary to design specific procedures to monitor such activities.

### **Public benefit statement**

The trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Keats House aims and objectives and in planning future activities. The purpose of the charity is to preserve and maintain and restore for the education and benefit of the public the land with the buildings known as Keats House as a museum and live memorial to John Keats and as a literary meeting place and centre by the City of London Corporation.

Consequently, the trustee considers that Keats House operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 32.

## ACHIEVEMENTS AND PERFORMANCE

### Achievements against the key priorities for 2023/24 were:

#### Achievement against the key priorities for 2023/24:

##### 1. Implement projects and activities identified in the Keats House Divisional Plan and Activities Plan identified for delivery in 2023/24

Throughout 2023/24, Keats House was open to the public on Wednesdays, Thursdays, Fridays, and Sundays, 11am – 1pm and 2 – 4 (in autumn / winter) or 5pm (in spring / summer).

The focus of our programming throughout the year supported the ‘Young Romantics in the City’ exhibition, which opened to the public in February 2023. This externally funded partnership project with Cardiff University explored the diversity of writers and writing in the Romantic period through the inter-connected themes of politics, class, gender and race. These were further explored through changing displays featuring: items from the Keats House collections, supported by our colleagues at London Metropolitan Archives; the first display in this country of the British Library’s first-edition copy of ‘The Woman of Colour; and a selection of pamphlets featuring popular ballads in Welsh and English from the special collections of Cardiff University. Keats House are extremely grateful for the ongoing support of Dr Anna Mercer, lecturer in English Literature (Romanticism), for her ongoing contribution to Keats House’s public engagement programme, which was substantially supported in 2023/24 by Cardiff University.

As part of the ‘Young Romantics in the City’ and our regular event programmes, Keats House delivered 36 different events, which were attended by 878 people in 2023/24. Highlights of the programme included: an event for Earth Day as part of ‘The Wild Escape’ national initiative, which was delivered in partnership with Hampstead School of Art; live interpretation featuring our new Mary Shelley and Fanny Keats characters, as well as repeat events with our Keats and Coleridge characters; two performances by Saudha Bangla music and arts; three creative writing workshops led by City Lit; eight free, themed poetry readings by the Keats House Poetry Ambassadors; and events targeted at specific audiences, including a special afternoon opening of the house for under 5s and their carers.

As well as our own programme, Keats House officers supported the work of partner and stakeholder organisations, through a number of projects and initiatives, including: four events in Keats House garden for Hampstead Summer Festival 2023; the inclusion of Keats’s facsimile of Shakespeare’s First Folio in the Heritage Gallery display at Guildhall for the Folio400 celebrations; and, again working with colleagues at London Metropolitan Archives, to display their ‘Unforgotten Lives’ outdoor exhibition at Hampstead Heath in August and September.

Our social media following remained relatively constant over the past 12 months, despite reduced capacity to create content and, sometimes negative, changes in the platforms themselves. As at March 2024, Keats House had 6.9k followers on Twitter (0% growth on March 2023), 4.2k on Facebook (2%), and 3.7k on Instagram, which at +9% remains our fastest growing and most engaged virtual audience. Our main priorities for the year were

#YoungRomantics and the ongoing project to publish online the Fanny Brawn to Fanny Keats letters on the 200<sup>th</sup> anniversary of them being written, with three letters, with supporting research, articles and social media posted in the past 12 months. Regular newsletter to our c. 3,500 subscribers helps promote our offer and drive visits to our corporate web pages, which are seen by c. 10,000 active users per quarter.

We have continued to increase engagement with schools, offering poetry, drama and creative writing sessions to teachers and students in formal education and to home-schooled groups. In addition to these subject focussed taught sessions, Keats House was involved in delivering three special learning projects, funded by the City Corporation's Education Strategy Unit through their Cultural & Creative Learning Grants. Working alongside London Metropolitan Archives we continued our work with 'Poetry Versus Colonialism', researching and revealing the colonial histories of our collections. This resulted in the 'Word on the Street' festival – a programme of workshops and events for students, trainee teachers, cultural sector workers and established and emerging young poets, who produced a series of short films. We continued to work with Speakers Trust and four other cultural partner venues to deliver 'Culturally Speaking', which encourages confidence and oracy skills in students in Year 8 and were one of the key partner venues for the Young City Poets programme, which inspires young people to write and perform poetry through engagement with practising poets.

Through this broader offer, we delivered a total of 48 taught sessions, to 8 primary and 35 secondary groups and 1 HE group, with a total of 949 students and a further 131 accompanying adults being directly engaged with our offer.

In July, the twelfth Keats House Creative Writing summer school took place at the house, with workshops by poet Arji Manuelpillai and novelist Catriona Ward. 30 students from 6 London secondary schools took part, leading to a total of 110 instances of engagement over the four days. The week was very successful, and students' writing from it was collected in an anthology which was distributed to the participating schools.

Keats House volunteers continued to support our work by providing afternoon tours for visitors and free themed poetry readings on the second Sunday of most months, including a reading of 'The Eve of St Agnes' at Guildhall Art Gallery in January. We also benefitted from the time of one post-graduate volunteer who has helped welcome visitors to the house when their studies allowed. As always, we would like to send our grateful thanks to all our volunteers for their continued support for the Charity and its activities.

Unfortunately, our Roehampton University doctoral research student placement has not delivered the expected outputs in 2023/24, but it is hoped that this workstream may resume and conclude by March 2025.

In 2023/24, Keats House opened to the public on 200 days, with a total of 7,338 recorded visits to the house. For comparison, 11,755 people visited Keats House in 2019/20 and 5,149 in 2022/23. The number of people visiting Keats House has therefore increased by 142% on the previous year but remains at only 63% of pre-pandemic levels.

Income from admissions, shop sales and private hires has risen along with the increase in numbers visiting the house. It has not yet been possible to achieve the levels of income previously derived from admissions, shop sales, events hires or events prior to the pandemic, although it is anticipated that a full recovery will be achieved by 2025/26.

As a condition of the premises licence for 10 Keats Grove, Keats House Consultative Committee receive a twice-yearly report of licensable events held at the House, to ensure that the operating schedule and conditions are being upheld. To report that no activities involving the sale of alcohol took place in 2023/24 under Keats House's premises licence. As referred to above, events were delivered from the premises for Hampstead Summer Festival which involved the sale of alcohol and other licensable activities under TENs obtained by the organisers. Complimentary drinks were also served at 13, largely partner funded, events and music was performed at two events. Although these did not involve the sale of alcohol they are reported here for completeness. The Premises Licence for 10 Keats Grove was renewed for the period to 11 September 2023 at a cost of £180.00.

## **2. Deliver maintenance and access improvement projects at Keats House**

Keats House officers have continued to work with City Surveyor's, consultant architects and the London Borough of Camden's Planning Department to progress projects to conserve and enhance Keats House.

While planning and listed building consent have already been granted for the proposed new visitor entrance, the cost and timescale for this to be completed has yet to be agreed with City Surveyors. A connected project, to replace the aged, wooden boundary fence to the front of the property, has yet to achieve the required planning and listed building consents. Possible sources of funding for these projects are City Corporation facilities maintenance budgets, the Keats House charity's reserve, and London Borough of Camden's Neighbourhood Community Infrastructure Levy fund, and they are currently being costed by the City Surveyor's Department to inform funding applications and project delivery.

London Borough of Camden's Planning Department have approved the plans for the replacement / new fire and intruder alarm systems for both buildings and an upgraded CCTV system for Keats House, which can now be completed in 2024/25.

In 2023/24, a dedicated team of 'Heath Hands' volunteers working with officers from the Golders Hill Park team contributed their time and expertise to the garden. During weekly sessions, they undertook a combination of routine maintenance, seasonal planting and thoughtful enhancements to the beds and borders and we are grateful for their commitment to the garden, which is enjoyed by visitors, site users and local residents alike.

## **3. Develop a three-year Management Plan for Keats House, to ensure the future sustainability of the Keats House Charity and its operating model**

Following the recent launch of the City Corporation's Corporate Plan 2024-29 and the Natural Environment Division's new strategic framework, a draft Keats House Activities Plan for 2024/25 will be presented to the City Corporation's Culture, Heritage & Libraries Committee in summer. The development of a detailed three to five-year forward plan for Keats House, which is required as part of the City Corporation's documentation framework and for our Museum Accreditation return will be developed in 2024/25, to support the new Corporate Plan and Departmental priorities of **Page 252** This will be submitted to



Members as our Trustees for consultation and approval, before being presented as part of our Museum Accreditation return, now expected in late 2024 or early 2025.

As a result of the above activities, the Trustee has had due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

## **PLANS FOR FUTURE PERIODS**

The overarching priorities which will guide all our objectives and activities from April 2024 are:

- Implement projects and activities identified in the Keats House Activities Plan for delivery in 2024/25 onwards.
- Deliver maintenance and access improvement projects at Keats House
- Develop a 2024-29 Management Plan for Keats House, to ensure the future sustainability of the Keats House Charity and its operating model.

The trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 19.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24, the charity's total income for the year was £438,550, an overall decrease of £54,461 against the previous year (£493,011). The principal source of income was from City of London Corporation's City's Estate fund (see below).

Income from Charitable Activities comprised £111,427 (2022/23: £95,104), including £29,244 from admission fees (2022/23: £18,440), £47,175 from charges for services (2022/23: £42,694), sales of £15,108 (2022/23: £11,270) and grant income of £19,900 (2022/23: £22,700). The rise in income is due to increased admissions at Keats House and can continue to expect steady increases year on year but is unlikely to reach pre-pandemic levels until 2025/26.

An amount of £324,423 (2022/23: £394,373) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity. The decrease in contribution was mainly due to Keats House reducing their expenditure during the year in order to offset income reductions (see expenditure below).

#### Expenditure

Total expenditure for the year was £463,168 (2022/23: £478,616), with charitable activities expenditure in the year totalling £454,436 (2022/23: £473,384). The decrease in expenditure is largely due to reduction in cyclical works expenditure compared with 2022/23. Expenditure on raising funds for the year was £8,732 (2022/23: £5,232). The reason for the variance is due to increased sales from the gift shop as a result of increased admissions resulting in additional purchases being required.

#### Funds held

The charity's total funds held decreased by £24,618 to £309,437 as at 31 March 2024 (2022/23: £334,055) largely as a result of the charity's general reserves being used to fund additional costs of the charity.

The charity's designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to "undesignate" these funds at any time. Designations as at 31 March 2024 totalled £48,616 (2022/23: £53,478). These represent designated funds within the unrestricted income fund which represents the net book value of fixed assets held.

Restricted funds of £116,897, (2022/23: £113,992) were held at year-end. This relates to the Keats Love Letter (£100,000), a Watercolour painting (£1,423), unspent grant monies from Cardiff University in relation to the Young Romantics in the City project (£1,299), a balance of £11,330 remaining on a grant from the City of London's Education Strategy Unit and £2,845 relating to Garden Enhancements

The charity's free reserves total £143,924 (2022/23: £166,585), which are held both to meet the deficit on running expenses on a year by year basis and to fund any major activities the charity is undertaking. During 2023/24 the Charity used £6,450 from reserves to help fund the Keats 200 programme (2022/23: £13,380) with £18,332 being used from the reserves to fund the charity's general costs.

Details of all funds held, including their purposes, is set out within note 15 to the financial statements.

### **Reserves**

The charity is wholly supported by the City of London Corporation which is committed to maintain and preserve Keats House out of its City's Estate Funds. These Funds are used to meet the deficit on running expenses on a year by year basis. The charity therefore does not need to maintain free reserves at a stated level, being either a fixed amount or a stated number of months, to ensure continued delivery of its objectives. For good governance purposes, the trustee considers holding a minimum of £20,000 as free reserves to be suitable in light of the operating model in place but the trustee will continue to keep the target under review in light of current reserve levels to ascertain whether the current minimum level of reserves required will be appropriate for the charity in future.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
<b>Insufficient Maintenance</b>	Keats House to continue developing relationship with City Surveyor's Department (CSD) and attend, when necessary, client liaison meetings.
<b>Delivery of Major Projects</b>	Maintain ongoing liaison with the City Surveyor's Department.
<b>Health &amp; Safety of staff, volunteers, visitors and contractors</b>	Keats House staff attend Health and Safety meetings as appropriate. A representative of Keats House attends North London Open Spaces Management Team meetings, where H&S is a standing agenda item, and divisional/departmental meetings as required. The Principal Curator is liaising with the City Surveyor's Project Team to progress fire alarm replacement works at both buildings.
<b>Financial Sustainability</b>	Develop a three-to-five-year Management Plan for Keats House, supported by a realistic fundraising strategy to be implemented by all staff.
<b>Theft or Damage</b>	Keats House to ensure City Surveyor's Department (CSD) addresses the regular maintenance and upkeep of effective security system in the Cyclical Works Programme (CWP).
<b>Loss of staff expertise</b>	All staff to be familiarised with the collection and database to ensure retention of collections-related knowledge. Improved Collections Management System to be purchased and commissioned.

## TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustee must not approve the financial statements unless the trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

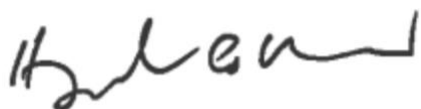
The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the trustee to ensure that the financial statements comply with the Charities Act 2011. The 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.

In so far as the trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware and
- the trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the trustee's website is the responsibility of the trustee. The trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the trustee.



Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation  
Guildhall, London



Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Date to be inserted once signed off

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF KEATS HOUSE**

I report to the Trustee on my examination of the accounts of Keats House for the year ended 31 March 2024 which are set out on pages 17 to 31.

This report is made solely to the charity's Trustee, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's Trustee as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity Trustee of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>					
Voluntary activities	2	55	30	85	2,895
Charitable activities	3	91,527	19,900	111,427	95,104
Grant from City of London Corporation	4	324,423	-	324,423	394,373
Investments	5	2,615	-	2,615	639
<b>Total income</b>		<b>418,620</b>	<b>19,930</b>	<b>438,550</b>	<b>493,011</b>
<b>Expenditure on:</b>					
Raising funds	6	8,732	-	8,732	5,232
Charitable activities:					
Preservation, maintenance and restoration of Keats House	6	439,532	14,904	454,436	473,384
<b>Total expenditure</b>		<b>448,264</b>	<b>14,904</b>	<b>463,168</b>	<b>478,616</b>
Net unrealised (loss)/gains on investments		-	-	-	-
<b>Net income/ (expenditure) and net movement in funds</b>	14	<b>(29,644)</b>	<b>5,026</b>	<b>(24,618)</b>	<b>14,395</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	14	222,184	111,871	334,055	319,660
<b>Total funds carried forward</b>	14	<b>192,540</b>	<b>116,897</b>	<b>309,437</b>	<b>334,055</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 19 to 31 form part of these financial statements.

**BALANCE SHEET (Charity Number 1053381)****AS AT 31 MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Heritage assets	9	<b>101,423</b>	101,423
Tangible assets	10	<b>48,616</b>	53,478
<b>Total fixed assets</b>		<b>150,039</b>	154,901
<b>Current assets</b>			
Stock		<b>8,187</b>	8,749
Debtors	11	<b>19,685</b>	45,147
Cash at bank and in hand		<b>155,501</b>	151,843
<b>Total current assets</b>		<b>183,373</b>	205,739
<b>Creditors: Amounts falling due within one year</b>	12	<b>(23,975)</b>	(26,585)
<b>Net current assets/(liabilities)</b>		<b>159,398</b>	179,154
<b>Total assets less current liabilities</b>		<b>309,437</b>	334,055
<b>The funds of the charity:</b>			
Restricted income funds	14	<b>116,897</b>	113,992
Unrestricted income funds	14	<b>192,540</b>	220,063
<b>Total funds</b>		<b>309,437</b>	334,055

Charity Number 1053381

The notes on pages 19 to 31 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX January 2025



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve Keats House for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next five years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

In making this assessment, the trustee has considered the ongoing financial position, including future income levels and the liquidity of the charity in light of the ongoing impact of Covid-19 over the next 12-month period from the date of signing these financial statements. The charity is still not reopening 5 days/30 hours per week, although this has resulted in some cost savings, it may be that the charity's reserves would need to be used to cover any shortfall, whilst still adhering to the Reserves Policy. For these reasons, the trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets and the recovery of debts.

#### (d) Statement of Cash Flows

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2023 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, admissions fees, membership fees, grants, (including government grants), interest, sales, filming fees and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed and is recognised in the SOFA at this point.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in note 8.

The trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid. From 2021/22, the City Corporation, as trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities, and these costs are included within support costs.

#### **(g) Pension costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustees do not anticipate that any of the

liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set the contribution rates for the period 01 April 2023 to 31 March 2026 at 21.0%.

#### **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(i) Fixed Assets**

##### **Heritage Land and Associated Buildings**

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

In accordance with the charity's scheme, two buildings and the land were transferred at no cost to the ownership of the Trust on 1 January 1997. The buildings comprise the Grade 1 listed Keats House itself valued on an insurance basis at £2,659,605 (2022/23: £2,484,173) and a 1930s building called the Heath Library valued, for insurance purposes, at £1,662,812 (2022/23: £1,553,130). This latter building is now used by cultural and community groups, primarily the Keats Community Library Phoenix Group, with one room set aside to be used in compliance with the objective of the Keats House Charity.

Keats House holds a collection of Keats related materials the majority of which are not recognised in the Balance Sheet as cost information is not readily available and the trustee believes the benefits of obtaining valuations for these items would not justify the costs. The exceptions to this are the Keats Love letter which is valued at its cost of £100,000 and the watercolour painting which is valued at its cost of £1,423, within the balance sheet. The letter was purchased at auction in March 2011 and has not been revalued since and the watercolour painting was purchased in 2020 and has not been revalued since, as the market for both remains constant and therefore no change in conditions that might indicate a change in value has been identified. A schedule of individual items is not kept, but both the letter and the watercolour painting are stored at London Metropolitan Archives as part of the overall Keats Collection. The total insurance value for the whole Collection is £1,400,000.

Additions to the original land and capital expenditure on buildings and other assets are included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

##### **Tangible fixed assets**

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and

accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Years

Improvements and refurbishments to buildings up to 30

**(j) Stocks**

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the charity's operations.

**(k) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short-term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

**(l) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Restricted funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred and a Heritage Asset.

**Unrestricted income funds** – these funds can be used in accordance with the charitable object at the discretion of the trustee and include income generated by assets representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated Funds** – these are funds set aside by the trustee out of unrestricted funds for a specific purpose.

**(m) Insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	Unrestricted funds £	Restricted funds £	<b>Total 2023/24 £</b>	Total 2022/23 £
Donations and legacies	55	30	<b>85</b>	2,895

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2023/24 £	Restricted income 2023/24 £	<b>Total funds 2023/24 £</b>	Total funds 2022/23 £
Charges for services	47,175	-	<b>47,175</b>	42,694
Sales	15,108	-	<b>15,108</b>	11,270
Admission charges	29,244	-	<b>29,244</b>	18,440
Grant Income	-	19,900	<b>19,900</b>	22,700
<b>Total</b>	<b>91,527</b>	<b>19,900</b>	<b>111,427</b>	<b>95,104</b>

Charges for services are split as follows:

<b>Charges for services</b>	<b>2023/24 £</b>	<b>2022/23 £</b>
Keats community library	33,928	28,630
Private hire of Keats House	9,895	7,526
Public events	3,750	6,081
Filming	17	117
Catering/Hospitality	-	26
Commission/Royalties	-	224
Other	(450)	-
Membership fees	35	90
<b>Total</b>	<b>47,175</b>	<b>42,694</b>

**4. INCOME FROM THE CITY OF LONDON CORPORATION**

	<b>Unrestricted funds 2023/24 £</b>	Unrestricted funds 2022/23 £
Revenue and capital grants from City of London Corporation	<b>324,423</b>	394,373

## 5. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Interest	<u>2,615</u>	<u>639</u>

### Income for the year included:

**Donations** – being amounts received from the public at the two collection boxes in Keats House and other unsolicited sums received.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation’s City’s Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Charitable activities** – being amounts generated from the sales of leaflets, books, maps cards and other publications relating to Keats House; charges made to the public for the use of facilities, admissions and services and from the rental of the Keats Community Library.

## 6. EXPENDITURE

### Expenditure on raising funds

	Direct costs £	<b>Total 2023/24 £</b>	Total 2022/23 £
Cost of goods sold	8,732	<b>8,732</b>	5,232

### Expenditure on charitable activities

	Direct costs £	Support costs £	<b>Total 2023/24 £</b>	Direct costs £	Support costs £	<b>Total 2022/23 £</b>
Preservation, maintenance and restoration of Keats House	369,912	84,524	<b>454,436</b>	370,190	103,194	<b>473,384</b>

### Charitable activity

Expenditure on charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Keats House.

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	2,217	-	<b>2,217</b>	<b>16,785</b>
Comptroller & City Solicitor	10,692	-	<b>10,692</b>	<b>3,244</b>
Town Clerk	-	3,059	<b>3,059</b>	<b>16,003</b>
City Surveyor	4,000	-	<b>4,000</b>	<b>8,417</b>
Natural Environment directorate	28,661	-	<b>28,661</b>	<b>34,360</b>
Other governance & support costs	8,461	-	<b>8,461</b>	<b>8,905</b>
Digital Services	27,434	-	<b>27,434</b>	<b>15,480</b>
Sub-total	81,465	3,059	<b>84,524</b>	<b>103,194</b>
Reallocation of governance costs	3,059	(3,059)	-	-
<b>Total support costs</b>	<b>84,524</b>	<b>-</b>	<b>84,524</b>	<b>103,194</b>

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

### Independent examiner's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Estate Fund and all of the different charities of which it is Trustee. The costs of independent examination are recharged to the charity. In 2023/24, a £1,943 fee for the independent examination of this charity's financial statements was recharged (2022/23: £2,000). No other services were provided to the charity by its examiners during the year (2022/23: £nil).



## 8. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 3.5 (2022/23: 3.5).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	<b>2023/24</b>	2022/23
	£	£
Salaries and wages	<b>192,548</b>	151,827
National Insurance costs	<b>21,150</b>	16,533
Employer's pension contributions	<b>41,826</b>	31,532
<b>Total emoluments of employees</b>	<b>255,523</b>	199,892

The number of directly charged employees whose emoluments (excluding employer's pension contribution) for the year were over £60,000 was nil (2022/23: nil).

### Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Natural Environment Director who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £nil (2022/23: £nil). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £2,012 were claimed in 2023/24 (2022/23: £nil).

**9. HERITAGE ASSETS**

	2020 £	2021 £	2022 £	2023 £	2024 £
<b>Cost</b>					
At 1 April	100,000	100,000	101,423	101,423	101,423
Additions	-	1,423	-	-	-
<b>At 31 March</b>	<b>100,000</b>	<b>101,423</b>	<b>101,423</b>	<b>101,423</b>	<b>101,423</b>
<b>Net book value</b>					
<b>At 31 March</b>	<b>100,000</b>	<b>101,423</b>	<b>101,423</b>	<b>101,423</b>	<b>101,423</b>

Since 1996 the primary purpose of the charity has been 'to preserve and maintain and restore for the education and benefit of the public the land with the buildings known as Keats House as a museum and live memorial to John Keats and as a literary meeting place and centre'. As set out in Note 1(i), the original heritage land and buildings are not recognised in the Financial Statements, with the exception to this being the Keats Love letter which is valued at £100,000. In 2023/24, plans and procedures for the preservation and management of Keats House were outlined in the Keats House Activities Plan 2022/23. Longer term plans for most services were deferred pending the finalisation of the Corporate restructure and development of a new Corporate Plan 2024-29. With these completed, a suite of Divisional strategies, including for Culture, Heritage & Learning, has been developed and these will shape the five-year management plan for Keats House, which will be developed in 2024/25, before presenting to Members of the City Coporation's Culture, Heritage & Libraries Committee, in their role as Trustee of the Keats House charity. Records of heritage assets owned and maintained by Keats House can be obtained from the Executive Director of Environment at the principal address as stated on page 32.

**10. TANGIBLE FIXED ASSETS**

## Plant &amp; equipment

£

<b>Cost</b>	
At 1 April 2023	72,924
At 31 March 2024	72,924
<b>Depreciation</b>	
At 1 April 2023	19,446
Charge for the year	4,862
At 31 March 2024	24,308
<b>Net book value</b>	
<b>At 31 March 2024</b>	<b>48,616</b>
At 31 March 2023	53,478

**11. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR**

	<b>2024</b>	2023
	£	£
Prepayments and accrued income	<b>4,305</b>	4,179
Recoverable VAT	<b>1,324</b>	10,714
Sundry debtors	<b>81</b>	-
Other debtors	<b>13,975</b>	30,254
<b>Total</b>	<b>19,685</b>	45,147

The reason for the reduction in debtors is largely due to the payment of two invoices for a total £27,299 raised shortly before the end of the 2022/23 financial year.

**12. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR**

	<b>2024</b>	2023
	£	£
Sundry creditors	<b>3,018</b>	7,448
Other creditors	<b>20,957</b>	19,137
<b>Total</b>	<b>23,975</b>	26,585

**13. ANALYSIS OF NET ASSETS BY FUND**

At 31 March 2024	Unrestricted income funds		Restricted funds	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	General funds	Designated funds			
	£	£	£	£	£
Heritage assets	-	-	101,423	<b>101,423</b>	101,423
Tangible assets	-	48,616	-	<b>48,616</b>	53,478
Current assets	167,899	-	15,474	<b>183,373</b>	205,739
Current liabilities	(23,975)	-	-	<b>(23,975)</b>	(26,585)
<b>Total</b>	<b>143,924</b>	<b>48,616</b>	<b>116,897</b>	<b>309,437</b>	334,055

At 31 March 2023	Unrestricted income funds		Restricted funds	Total at 31 March 2023	Total at 31 March 2022
	General funds	Designated funds			
	£	£	£	£	£
Heritage assets	-	-	101,423	101,423	101,423
Tangible assets	-	53,478	-	53,478	58,339
Current assets	193,170	-	12,569	205,739	169,806
Current liabilities	(26,585)	-	-	(26,585)	(9,908)
<b>Total</b>	<b>166,585</b>	<b>53,478</b>	<b>113,992</b>	<b>334,055</b>	319,660

## 14. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Transfer £	Total as at 31 March 2024 £
Restricted funds:					
Heritage Assets	101,423	-	-		<b>101,423</b>
Grant Funding	12,569	19,930	(14,904)	(2,121)	<b>15,474</b>
<b>Total restricted funds</b>	<b>113,992</b>	<b>19,930</b>	<b>(14,904)</b>	<b>(2,121)</b>	<b>116,897</b>
General funds:					
	166,585	418,620	(443,402)	2,121	<b>143,924</b>
<b>Total general funds</b>	<b>166,585</b>	<b>418,620</b>	<b>(443,402)</b>	<b>2,121</b>	<b>143,924</b>
Designated funds:					
Tangible fixed assets	53,478	-	(4,862)	-	<b>48,616</b>
<b>Total designated funds</b>	<b>53,478</b>	<b>-</b>	<b>(4,862)</b>	<b>-</b>	<b>48,616</b>
Total Unrestricted income funds	220,063	418,620	(448,264)	2,121	<b>192,540</b>
<b>Total funds</b>	<b>334,055</b>	<b>438,550</b>	<b>(463,168)</b>	<b>-</b>	<b>309,437</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Total as at 31 March 2023 £
Restricted funds:				
Heritage Assets	101,423	-	-	<b>101,423</b>
Grant Funding	2,121	22,845	(12,397)	<b>12,569</b>
<b>Total restricted funds</b>	<b>103,544</b>	<b>22,845</b>	<b>(12,397)</b>	<b>113,992</b>
General funds:				
	157,777	470,166	(461,358)	<b>166,585</b>
<b>Total general funds</b>	<b>157,777</b>	<b>470,166</b>	<b>(461,358)</b>	<b>166,585</b>
Designated funds:				
Tangible fixed assets	58,339	-	(4,861)	<b>53,478</b>
<b>Total designated funds</b>	<b>58,339</b>	<b>-</b>	<b>(4,861)</b>	<b>53,478</b>
Total Unrestricted income funds	216,116	470,166	(466,219)	<b>222,908</b>
<b>Total funds</b>	<b>319,660</b>	<b>493,011</b>	<b>(478,616)</b>	<b>334,055</b>

### Purposes of restricted funds

- i. *Heritage Asset* - The purpose of this fund is to safeguard both the Keats Love Letter and the Watercolour painting, allowing the public access to these cultural assets. The transfer to restricted funds in the year arose from the heritage asset addition of the watercolour painting.
- ii. *Grant funding* –Funding received from the City of London’s Education Strategy Grant during 2023/24 in relation to the Culturally Speaking Workshops and Projects. The remaining funds are currently expected to be spent during 2024/25.

### Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

- i. Fixed Assets – Plant and Equipment are recorded at historic cost less pro-

vision for depreciation and any impairment. The net book value of fixed assets at 31 March 2024 was £48,616 and is represented by a designated fund (2022/23: £53,478).

## 15. RELATED PARTY TRANSACTIONS

The City Corporation is the sole trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 7.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>324,423</b> (nil)	394,373 (nil)	The City of London Corporation's City's Cash meets the deficit on running expenses of the charity
		<b>84,204</b> (nil)	103,194 (nil)	Administrative services provided for the charity

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Keats House  
Registered charity number: 1053381

### PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

### TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

### SENIOR MANAGEMENT:

#### Chief Executive

Ian Thomas CBE - The Town Clerk and Chief Executive of the City of London Corporation

#### Treasurer

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

#### Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

#### Environment Department

Juliemma McLoughlin – Executive Director of Environment (resigned 30th November 2023)

Bob Roberts – Interim Executive Director of Environment (appointed 12<sup>th</sup> July 2023)

Emily Brennan – Director of Natural Environment (appointed 5th June 2023)

### INDEPENDENT EXAMINER:

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

### BANKERS:

Lloyds Bank Plc., P.O.Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Contact for The Chamberlain, to request copies of governance documents & of the Annual Report of

City's Estate:

[PA-DeputyChamberlain@cityoflondon.gov.uk](mailto:PA-DeputyChamberlain@cityoflondon.gov.uk)

# *Burnham Beeches and Stoke Common*

## Annual Report and Financial Statements for the year ended 31 March 2024

Charity registration number 232987

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## ORIGINS OF THE CHARITY

Burnham Beeches is a 220-hectare area of open space, home to hundreds of living veteran beech and oak pollards. It is a natural and cultural heritage area of international importance, the legacy of centuries of interaction between people and the environment.

Burnham Beeches is designated as Site of Special Scientific Interest (SSSI), it is also a National Nature Reserve (NNR) and a Special Area of Conservation (SAC); there are requirements under the Wildlife and Countryside Act and also a European obligation to manage the Beeches for the benefit of its wildlife.

Stoke Common is an 80-hectare area of open space and contains the largest remnant of Buckinghamshire's once extensive heathland and is also designated as Site of Special Scientific Interest (SSSI).

Burnham Beeches was acquired under the Corporation of London (Open Spaces) Act 1878 which requires its preservation in perpetuity as open space for the recreation and enjoyment of the public.

The Burnham Beeches charity was registered in 1965.

On 12 September 2011 the assets of Stoke Common (unregistered) were transferred to Burnham Beeches (232987). After this date, the charity has been called Burnham Beeches and Stoke Common.

The objects of the charity are the preservation in perpetuity by the Corporation of London of the Open Spaces known as Burnham Beeches and Stoke Common, for the perpetual use thereof by the public for recreation and enjoyment.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document is the Corporation of London (Open Spaces) Act 1878 as amended. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of Burnham Beeches and Stoke Common. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the charity and are elected by the electorate of the City of London. The key committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity
- **Finance Committee** – responsible for administering the Trust on behalf of the Trustee.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee of the charity.
- **Epping Forest and Commons Committee** – responsible for the activities undertaken at Burnham Beeches and Stoke Common, approving budget allocations for the forthcoming year and acting as Trustee of the charity.
- **Burnham Beeches and Stoke Common Consultation Group** – provides a forum for local residents and users to comment upon both the management of Burnham Beeches and Stoke Common.
- **Corporate Services Committee** – responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions.

Individuals collectively 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 a Trustee during their tenure of these positions.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is not considered in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over their activities. City's Estate, which was renamed from City's Cash during 2023/24, is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The Trustee believes that good governance is fundamental to the success of the charity. An initial review of governance has been undertaken to ensure that the charity is effective in fulfilling its objectives, and furthermore detailed work is currently being undertaken as part of a corporate review of the open space charities of which the City Corporation is trustee; the review will report to the relevant City Corporation committees on initial conclusions in December 2024. Reference is being made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 37.

Each 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 proper exercise of its functions and in meeting its duties as Trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of London Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's corporate restructure, the Open Spaces Department merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department. Burnham Beeches and Stoke Common became part of the Environment Department from 1 April 2022.

## **INDUCTION AND TRAINING OF MEMBERS**

The City of London Corporation makes available to its Members and also to its external appointees, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of Burnham Beeches and Stoke Common. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

The objectives of the charity are the preservation and maintenance of Burnham Beeches and Stoke Common, as open spaces for the recreation and enjoyment of the public.

Purposes of the charity as set out in the governing document, the Corporation of London (Open Spaces) Act 1878:

- Burnham Beeches and Stoke Common to be kept as open space for public recreation.
- Natural aspect to be preserved.
- Land to be unenclosed and unbuilt upon, except those features required for better attainment of the Act and deemed necessary by the City.
- Encroachments to be resisted and abated.

Main activities undertaken in relation to these purposes (all day-to-day activity is governed by 10-year site management plans):

- Practical conservation management activities to maintain the biodiversity of Burnham Beeches and Stoke Common, such as tree surgery work on the veteran and young replacement pollards, restoration of wood pasture and heathland habitats and management of firebreaks, scrub, grassland, bracken and wetland habitats.
- Providing volunteering opportunities to encourage community involvement.
- Providing and maintaining facilities for informal recreation.
- Grazing with cattle, ponies and other livestock where appropriate.
- Protecting Burnham Beeches and Stoke Common and their users from harm including by patrolling, enforcing byelaws and Public Space Protection Orders (in respect of dog control) as appropriate, resisting encroachments, mitigating threats and managing assets.
- Providing educational activities and events.
- Surveying and monitoring, for wildlife, visitor use, archaeological investigations and pollution monitoring.
- Managing and protecting three Scheduled Monuments, including an iron age hillfort and 13<sup>th</sup> century moated farmstead.

Issues the charity is seeking to tackle:

- Burnham Beeches and Stoke Common's natural and cultural heritage are of national and international importance, the legacy of centuries of interaction between people and the environment. As we progress through the 2020's and beyond the challenge of protecting this valuable resource will increase as pressures from environmental and human factors mount.

Aims:

- Maintain the biodiversity of Burnham Beeches and Stoke Common by managing habitats to favourable condition and achieving conservation gains that benefit the site and beyond.  
*Governing document link: preserve natural aspect, protect the timber and other trees, pollards, shrubs, underwood and herbage.*
- Encourage the sustainable use of Burnham Beeches and Stoke Common for recreation and promote community involvement in all aspects of the site.  
*Governing document link: commons acquired by the City to be kept as open spaces for the recreation and enjoyment of the public*
- Protect Burnham Beeches and Stoke Common and site users from harm by addressing or mitigating threats and maintaining assets, including heritage assets, in good condition.  
*Governing document link: open spaces kept unenclosed and unbuilt upon. Shall by all lawful means prevent, resist and abate enclosures, encroachments and buildings upon. The City may from time to time make and alter byelaws.*

The Burnham Beeches and Stoke Common Management Plans describe the strategy for achieving these aims.

## **Volunteers**

Burnham Beeches and Stoke Common provide a wide range of volunteer opportunities. Volunteers helped deliver a varied range of habitat restoration and site maintenance, monitoring activity, care of livestock and office support, all year round, with a total of 5,308 hours of support provided (2022/23: 4,250 hours). Highlights include volunteers helping to improve paths, replacing pond safety fencing and a pedestrian bridge and installing new signage at Burnham Beeches; delivering a site wide reptile survey at Stoke Common and a bat survey at both sites; a lichen survey at Burnham Beeches and supporting events ranging from family craft days to health walks.

## **Remuneration Policy**

The charity's staff as employees of the City Corporation, have pay reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within Note 8 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality, Diversity & Inclusion Sub-Committee has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Sub-Committee is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five-year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

### **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although Burnham Beeches and Stoke Common charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

There is a donations page on the Burnham Beeches webpage, inviting and enabling the public to make online donations to the Burnham Beeches Ancient Trees campaign.

The charity has received no complaints in relation to fundraising activities in the current year (2022/23: none). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Burnham Beeches and Stoke Common aims and objectives and in planning future activities. The purpose of the charity is the preservation of Burnham Beeches and Stoke Common in perpetuity by the City of London Corporation as the Conservators of Burnham Beeches and Stoke Common, as open spaces for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Burnham Beeches and Stoke Common operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 38.

## **ACHIEVEMENTS AND PERFORMANCE**

**The key targets for 2023/24 together with their outputs and outcomes were:**

### **Protection of Burnham Beeches and Stoke Common from the Impact of Development.**

The team have worked with Buckinghamshire Council and Natural England to implement the mitigation strategy to prevent damage from additional recreation pressure from new development which includes promoting a local planning policy of no additional dwellings within 500m of Burnham Beeches SAC. Buckinghamshire Council have been collecting mitigation payments from new dwellings between 500m and 5.6km. This work involved the adoption of an 80yr Strategic Access Management and Monitoring Strategy (SAMMS) to confirm projects to be undertaken by the charity with the money raised to help mitigate the impact of development between 500m and 5.6Km from the SAC boundary.

The team at Burnham Beeches and Stoke Common have continued to support Buckinghamshire Council in developing their local plan and by implementing actions required by the SAMMS, including developing the role of the SAMMS funded conservation and community engagement ranger (CER).

In the last year, this has included the development of a mitigation monitoring strategy. This identifies a range of monitoring that the team can undertake to measure the effect of the CER in mitigating the impact of new development around Burnham Beeches. Various projects will be implemented in 2024/25 to deliver the first year of this long-term monitoring plan.

The team worked with Slough Borough Council developing the role of the Section 106 funded conservation and Community Engagement Ranger. The two CERs work closely together on a range of projects.

The CERs have developed key mitigation messages for use both on and off site; undertaken regular patrol and activities to influence the behaviour of visitors; and began to develop plans to mitigate the impact of development within the 5.6KM zone around Burnham Beeches by encouraging residents in new developments to include alternative green spaces/wider countryside around those new developments in their activities as appropriate. They also developed new interpretative materials and a wide range of information including new pop-up displays and an event tricycle.

### **Protection of the wider landscape around Burnham Beeches.**

The team continued to work with neighbouring landowners, including the National Trust, Buckinghamshire Council and the Dorneywood Trust, to influence the management of land adjacent to Burnham Beeches to better support the protected species and habitats. In 2023/24, this has involved a series of meeting to look at funding opportunities and building consensus on the future direction of any collaborative projects

### **Protection of Burnham Beeches from very high recreation pressure**

The implementation of SAMMS project and employment of the two Community



Engagement Rangers are all actions to support this objective.

The team have continued to liaise with Buckinghamshire Council to support the implementation of a roadside parking prevention plan, to protect verges and land Burnham Beeches and Stoke Common and prevent nuisance parking on local roads. This was due to be implemented in 2021/22 and 2022/23 but the Council's delivery timetable has moved back to summer of 2024.

The temporary seasonal area and path closures at Burnham Beeches, first introduced in late winter 2020/21, were expanded in 2023/24. They were again put in place from December 2023 to the end of March 2024 with clear signage and good alternative access routes made available. These seasonal, proactive, actions have continued to reduce and prevented damage to the scheduled monuments and vulnerable habitats.

Public Spaces Protection Orders in relation to dog walking activities at Burnham Beeches were reviewed in 2023. Following all necessary consultation and notification, the PSPO's were renewed on the 1st of December 2023 with two minor modifications.

### **Caring for Scheduled Monuments (SMs) at Burnham Beeches**

2023/24 saw the completion of the Heritage Lottery Fund funded, partnership project, Beacons of the past – Hillforts in the Chilterns Landscape. This included the installation of a new site sign, completion of augmented reality interpretation and a final whole site SM management plan. The new signage and the augmented reality app were launched at an event in November 2023, attended by the Chairman of Epping Forest and Commons Committee, representatives of the Chilterns Conservation Board and The Burnham Beeches and Stoke Common Consultation Group along with 60 children from a local school.

### **Countryside Stewardship and key habitat management works & veteran trees.**

49 veteran pollarded trees were cut on rotation as part of the countryside stewardship funded work in 2023/24. All planned, wood pasture restoration work at Burnham Beeches and Heathland restoration work at Stoke Common was completed. The wood pasture restoration included tree removal on Seven ways plain Scheduled Monument – work enabled by the development of the SM management plan produced as part of the hillforts project above.

### **Grazing**

Plans from current management plan, 2020 –2029, to further expand the area of Burnham Beeches grazed by livestock continued in 2023/24 with an expansion of the area grazed by invisible fences and the use of the No fence system to deliver all invisible fenced area grazing with cattle.

**Sculpture/Sensory trail and information point**

Plans to refresh both the Burnham Beeches information point and sculpture/sensory were developed and costed with 8 new sculptures being created in 2023/24 and a project brief and tender pack prepared for the information point procurement in 2024/25.

**Pond restoration**

Plans to deliver pond restoration made no progress in 2023/24 beyond the completion of site habit and species surveys.

**Oak Processionary Moth (OPM)**

In 2023/24, the OPM control area boundary changed and both sites are now within the OPM core zone. This change necessitated a development of a new management plan based on risk which guided all work in June to August 2023 and should allow a more targeted approach to OPM management in future.

The team also worked with colleagues investigating the role that natural predation of OPM caterpillar has for future control strategies with good levels of natural predation being recorded in 2023/24.

## PLANS FOR FUTURE PERIODS

The aim of the charity is the preservation in perpetuity by the Corporation of London of the Open Spaces known as Burnham Beeches and Stoke Common, for the perpetual use thereof by the public for recreation and enjoyment.

### **Key projects for 2024/25 include:**

#### **Protection of Burnham Beeches and Stoke Common from impact of development.**

The team at Burnham Beeches and Stoke Common will continue to support Buckinghamshire Council in developing their local plan and by implementing actions required by the SAMMS including developing the role of SAMMS funded Conservation and Community Engagement Ranger.

The team will continue to work with Slough Borough Council to obtain the best protection possible from development pressure caused by housing development and the Slough local plan develop the role of the section 106 funded Conservation and Community Engagement Ranger.

#### **Protection of the wider landscape around Burnham Beeches**

The team will continue to work with neighbouring landowners, including the National Trust, Buckinghamshire Council and the Dorneywood Trust, to change the management of land adjacent to Burnham Beeches to better support the protected species and habitats. and obtain costs for delivering this, including potential funding options for delivery. The team will also look to encourage other landowners to join in the discussions in 2024/25.

#### **Protection of Burnham Beeches from very high recreation pressure**

The team will continue to work with Buckinghamshire Council to help them implement a roadside parking prevention plan, to protect verges and land around Burnham Beeches and prevent nuisance parking on local roads.

The team will look to produce a Sustainable Visitor Access and Mitigation Strategy for the Beeches based on the findings from the visitor impact study completed in 2022/23. This work is a project funded through the SAMMS and will further guide future options to help minimise damage from heavy recreational use.

#### **Countryside Stewardship**

Key habitat management works to meet obligations under the scheme, at both sites, will be undertaken as per site management plans. The team will also carry out clearance and reduction work around old and new pollards as per the 10-year work programmes and maintain efforts on squirrel control to ensure reduction in damage on old pollards which are the most important habitat feature at Burnham Beeches and of international significance. As part of the City of London's Natural Environment Carbon removal plan, the team will support actions to further improve and monitor the impact of squirrel control.

### **Grazing**

Plans from the new management plan 2020 -2029 to further expand the area of Burnham Beeches grazed by livestock will continue in 2024/25 with the development of plans to look to revert, all or part of the Stag carpark to heathland and by the continued development and use of invisible fences.

### **Sculpture/Sensory trail and information point**

The new sculpture produced in 2023/24 will be installed along with the development of a new trail leaflet and QR code-based information during the first quarter of 2024/25. Plans to refresh the Burnham Beeches information point will be tendered in early 2024/25 and material produced and installed, subject to funding, by 31 March 2025.

### **Pond restoration**

Plans to deliver pond restoration will be progressed to detailed work plans and tender and year 1 works delivered subject to team capacity and funds being available.

### **Natural Environment Carbon removal plan**

As part of the Natural Environment Carbon removal plan, the team will support actions to look at the reversion of all or part of the Stag carpark to heathland.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24, the charity total income for the year was £1,727,148, an overall decrease of £547,140 against the previous year (£2,274,288). The principal source of income was from City of London Corporation's City's Estate fund (see below), and the main reason for the decrease in income was due to the Section 106 and SAMMS contributions received from local authorities being less than in the previous financial year as detailed below.

Income from Charitable Activities comprised £265,284 from fees and charges (2022/23: £304,300) and £68,261 from rents (2022/23: £57,282). The decrease in income from fees and charges was due to a decrease in filming income.

Grants income of £74,596 was received in the year (2022/23: £97,070). Donation income was £2,454 (2022/23: £8,113) and Section 106 and SAMMS contributions from local authorities amounted to £340,120 (2022/23: £754,785).

An amount of £972,419 (2022/23: £1,050,592) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity. The grant decreased due to the City of London funding fixed asset additions in the previous year in addition to reductions in transport related costs and repairs and maintenance expenditure resulting in the charity requiring a lower level of funding from City's Estate.

#### Expenditure

Total expenditure for the year was £1,524,544 (2022/23: £1,514,234) all of which related to charitable activities. The increase in expenditure was due to an increase in employment costs following cost of living pay rises awarded to staff as well as additional recharges from corporate departments and an impairment charge being recognised on tangible fixed assets during 2023/24.

#### Funds held

The charity's total funds held increased by £202,604 to £2,015,308 as at 31 March 2024 (2022/23: increased by £760,054 to £1,812,704).

The charity's designated funds consist of unrestricted income which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to 'undesignate' these funds at any time. Designations as at 31 March 2024 totalled £989,506 (2022/23: £1,022,884), a decrease of £33,378. Designated funds within the unrestricted funds represent the net book value of fixed assets held and a designated fund for Stoke Common.

A general fund of £2,268 (2022/23: £2,268) relates to surplus unrestricted donations income.

A restricted fund of £1,023,534 (2022/23: £787,552) was held at year-end. This relates to £956,288 of S106 and SAMMS contributions from Buckinghamshire Council and Slough Borough Council (2022/23: £721,310), £60,014 legacy payments for the purpose of specific restoration work (2022/23: £60,014) and £7,232 in donations generated from the Burnham Beeches Ancient Trees Campaign (2022/23: £6,228).

Details of all funds held, including their purposes, is set out within Note 15 to the financial statements.

## Reserves

The charity receives significant support from the City of London Corporation which is committed to contributing as necessary to the funds of the charity; it does so out of its City's Estate Funds. These Funds are used to meet the deficit on running expenses on a year-by-year basis. Consequently, this charity has limited free reserves and a reserves policy is considered by the Trustee to be inappropriate. Donations are now being sought and these may be carried forward, but there is currently no intention to hold them as a minimum amount owing to the deficit funding model currently adopted by the City of London Corporation.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 26.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
<b>Negative impacts of visitor pressure</b>	The neighbouring local authority is due to install permanent parking restrictions which should prevent damage from car parking on surrounding roads and land. An action plan is being developed to reduce the impact of high visitor levels.
<b>Negative impacts from pests and diseases</b>	Actions are in place to manage OPM at Stoke Common. Biosecurity measures are in place for staff, volunteers and contractors including public messages. The Tree Safety Policy is reviewed every three years, and the local site policy annually.

Risk	Actions to manage risks
	Annual tree inspections are undertaken by qualified personnel. Staff training is kept updated to enable timely identification of pests and knowledge of correct treatment/prevention.
<b>Rural Payment Agency Grants</b>	Reductions in grant monies from the Rural Payments Agency were deferred and the current level of funding secured for a further period following legal challenge to the reduction
<b>Decline in condition of assets</b>	Structures are kept under regular review and defects addressed and/or raised with the City of London's City Surveyor's Department.
<b>Budget pressure</b>	Budgets are kept under continual review and opportunities for savings/income generation are sought.
<b>Negative impacts of development and encroachment</b>	Officers work in partnership with local planning authorities, scrutinising and commenting on proposed Local Plans and other policies. Active monitoring of air pollution and environmental impacts is carried out. Monitor the success of the funded ranger posts.
<b>Adverse impacts of extreme weather and climate change</b>	Local emergency plans and site maps are in place and developed in collaboration with local fire services. Warnings of extreme weather are monitored, and action plans implemented as necessary.
<b>Pollution</b>	A project has been commissioned to assess the impact of pollution on indicator species.

## TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.



Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Guildhall, London

XX/XX

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BURNHAM BEECHES AND STOKE COMMON

## Opinion

We have audited the financial statements of Burnham Beeches and Stoke Common ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and 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 31 March 2024 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 contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the trustee report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 responsibilities statement set out on page 18 and 19, 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 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 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 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**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk

of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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 charity's 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

XX/XX/2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDING 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>					
Voluntary activities	2	76,046	341,124	<b>417,170</b>	859,968
Charitable activities	3	333,545	-	<b>333,545</b>	361,582
Grant from City of London Corporation	4	972,419	-	<b>972,419</b>	1,050,592
Investments	5	4,014	-	<b>4,014</b>	2,146
<b>Total income</b>		<b>1,386,024</b>	<b>341,124</b>	<b>1,727,148</b>	<b>2,274,288</b>
<b>Expenditure on:</b>					
Charitable activities:					
Preservation and operation of Burnham Beeches and Stoke Common	6	1,419,402	105,142	<b>1,524,544</b>	1,514,234
<b>Total expenditure</b>		<b>1,419,402</b>	<b>105,142</b>	<b>1,524,544</b>	<b>1,514,234</b>
<b>Net income/(expenditure) and net movement in funds</b>		<b>(33,378)</b>	<b>235,982</b>	<b>202,604</b>	<b>760,054</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	15	1,025,152	787,552	<b>1,812,704</b>	1,052,650
<b>Total funds carried forward</b>	<b>15</b>	<b>991,774</b>	<b>1,023,534</b>	<b>2,015,308</b>	<b>1,812,704</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 26 to 37 form part of these financial statements.

**BALANCE SHEET****AS AT MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Tangible assets	10	<b>852,906</b>	890,298
<b>Total fixed assets</b>		<b>852,906</b>	890,298
<b>Current assets</b>			
Debtors	11	<b>243,337</b>	116,719
Cash at bank and in hand		<b>996,483</b>	955,959
<b>Total current assets</b>		<b>1,239,820</b>	1,072,678
<b>Creditors: Amounts falling due within one year</b>	12	<b>(65,418)</b>	(138,272)
<b>Net current assets</b>		<b>1,174,402</b>	934,406
<b>Total assets less current liabilities</b>		<b>2,027,308</b>	1,824,704
<b>Creditors: Amounts falling due after more than one year</b>	13	<b>(12,000)</b>	(12,000)
<b>Total net assets</b>		<b>2,015,308</b>	1,812,704
<b>The funds of the charity:</b>			
Restricted income funds	15	<b>1,023,534</b>	787,552
Unrestricted income funds	15	<b>991,774</b>	1,025,152
<b>Total funds</b>		<b>2,015,308</b>	1,812,704

The notes on pages 26 to 37 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

Xx/xx/xx

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### **(a) Basis of Preparation**

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention as modified by the valuation of investments which are held at fair value and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### **(b) Going concern**

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. The Trustee considers the level of grant funding received and plans activities as a result of this. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment the Trustee has considered the potential ongoing impact of the current high inflationary pressures on the financial position, including future income levels and planned expenditure and the liquidity of the charity over the next 12-month period. The assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### **(c) Key management judgements and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised



and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets.

#### **(d) Statement of Cash Flows**

The charity has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2024 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, contributions, grants, investment income, interest, sales and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed and is recognised in the SOFA at this point.

Contributions income relating to both Section 106 of the Town and Country Planning Act 1990 and Strategic Access Management & Monitoring Strategy (SAMMS) contributions have been recognised in the SOFA in the year in which this income has been received.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities' activities. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 7.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid. The costs incurred in the administration of each charity are recharged by the City Corporation, and these costs are included within support costs.

### **(g) Pension Costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set the contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21, 2021/22 and 2022/23 were set at 21%.

### **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **(i) Fixed Assets**

#### **Heritage Land and Associated Buildings**

Burnham Beeches and Stoke Common comprises 303 hectares (748 acres) of land in South Buckinghamshire, together with associated buildings. The object of the charity is the preservation of Burnham Beeches and Stoke Common in perpetuity as Open Spaces for the recreation and enjoyment of the public. Burnham Beeches and Stoke Common is considered to be inalienable (i.e. they may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or

in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets are included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured. Heritage assets are reviewed annually for indicators of impairment and adjustments recognised accordingly if required.

### **Tangible Fixed Assets**

Assets that are capable of being used for more than one year and have a total cost greater than £50,000 are capitalised. Where capitalised assets are purchased across multiple charities, the costs are allocated to each charity based on the relevant amounts incurred by each individual charity. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 25
Plant	10
Vehicles	up to 10

### **(j) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

### **(k) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Restricted Funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted Income Funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated Funds** – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

**(I) Insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	Unrestricted funds	Restricted funds	Total 2023/24	Unrestricted funds	Restricted funds	Total 2022/23
	£	£	£	£	£	£
Grants	74,596	-	<b>74,596</b>	87,070	10,000	97,070
Donations and legacies	1,450	1,004	<b>2,454</b>	3,438	4,675	8,113
Contributions	-	340,120	<b>340,120</b>	-	754,785	754,785
<b>Total</b>	<b>76,046</b>	<b>341,124</b>	<b>417,170</b>	<b>90,508</b>	<b>769,460</b>	<b>859,968</b>

Contributions income related to £340,120 received from Buckinghamshire Council in relation to Strategic Access Management & Monitoring Strategy (SAMMS) contributions to mitigate the adverse ecological impacts associated with developments in the Special Area of Conservation. (2022/23: £479,297 SAMMS and £264,697 from Slough Borough Council under Section 106 of the Town and Country Planning Act 1990 to fund a ranger post at Burnham Beeches over a five-year period)

**3. INCOME FROM CHARITABLE ACTIVITIES****Income from charitable activities**

	Unrestricted funds	Total 2023/24	Unrestricted funds	Total 2022/23
	£	£	£	£
Charges for use of facilities	265,284	<b>265,284</b>	304,300	304,300
Rental income	68,261	<b>68,261</b>	57,282	57,282
<b>Total</b>	<b>333,545</b>	<b>333,545</b>	<b>361,582</b>	<b>361,582</b>

**4. INCOME FROM THE CITY OF LONDON CORPORATION**

	Unrestricted funds	Total 2023/24	Unrestricted funds	Total 2022/23
	£	£	£	£
Revenue and Capital grants	972,419	<b>972,419</b>	1,050,592	1,050,592

## 5. INCOME FROM INVESTMENTS

	Unrestricted funds	<b>Total 2023/24</b>	Unrestricted funds	Total 2022/23
	£	£	£	£
Interest	4,014	<b>4,014</b>	2,146	2,146

### Income for the year included:

**Grants** – Grants have been received from Natural England’s Countryside Stewardship Scheme and the Rural Payments Agency under the basic payment scheme for carrying out specific programmes operated by the charity.

**Contributions** – being funding received and Strategic Access Management & Monitoring Strategy (SAMMS) contributions from local authorities

**Donations** – being voluntary amounts received from the public through donations; including donations collected via the Burnham Beeches webpage for the Burnham Beeches Ancient Trees campaign.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation’s City’s Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Charitable activities** – being amounts generated from charges made to the public for the use of facilities, such as car parks, the use of the site as a filming location and from the rental of the Beeches Eco Café.

## 6. EXPENDITURE

	Direct costs £	Support costs £	<b>Total 2023/24 £</b>	Direct costs £	Support costs £	Total 2022/23 £
Preservation and operation of Burnham Beeches and Stoke Common	1,279,914	244,630	<b>1,524,544</b>	1,302,026	212,208	1,514,234

### Charitable activity

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Burnham Beeches and Stoke Common.

### Auditor’s remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London’s City’s Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24, an audit fee of £6,930 was recharged (2022/23: £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	25,366	-	<b>25,366</b>	28,884
Comptroller & City Solicitor	-	-	-	4,659
Town Clerk	-	25,975	<b>25,975</b>	22,978
City Surveyor	30,447	-	<b>30,447</b>	21,353
Natural Environment directorate	96,155	-	<b>96,155</b>	95,310
Other governance & support costs	7,914	6,930	<b>14,844</b>	12,901
Digital Services	51,843	-	<b>51,843</b>	26,123
Sub-total	211,725	32,905	<b>244,630</b>	212,208
Reallocation of governance costs	32,905	(32,905)	-	-
<b>Total</b>	<b>244,630</b>	-	<b>244,630</b>	212,208

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 8. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 15 (2022/23: 12).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2023/24 £	2022/23 £
Salaries and wages	<b>532,634</b>	427,671
National Insurance costs	<b>54,540</b>	43,623
Employer's pension contributions	<b>116,241</b>	92,731
<b>Total emoluments of employees</b>	<b>703,415</b>	564,025

The number of directly charged employees whose emoluments (excluding employer's pension contribution) for the year were over £60,000 was nil (2022/23: nil).

## Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £6,478 (2022/23: £15,508). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £nil were claimed in 2023/24 (2022/23: £nil).

## 9. HERITAGE ASSETS

Since 1880 the primary purpose of the charity has been the preservation of Burnham Beeches and Stoke Common for the recreation and enjoyment of the public. As set out in Note 1(j), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Burnham Beeches and Stoke Common are contained in the Management plans for Burnham Beeches and Stoke Common. Records of heritage assets owned and maintained by Burnham Beeches and Stoke Common can be obtained from the Executive Director of Environment at the principal address as stated on page 38.

## 10. TANGIBLE FIXED ASSETS

	Land and Buildings £	Infrastructure £	Plant £	Equipment £	Vehicles £	Total £
<b>Cost</b>						
At 1 April 2023	835,256	137,725	50,000	232,487	-	<b>1,255,468</b>
Additions	-	-	-	19,026	24,537	<b>43,563</b>
Disposals	-	-	-	-	-	-
Impairment	-	-	-	(50,000)	-	<b>(50,000)</b>
At 31 March 2024	835,256	137,725	50,000	201,513	24,537	<b>1,249,031</b>
<b>Depreciation</b>						
At 1 April 2023	304,952	17,208	5,000	38,010	-	<b>365,170</b>
Charge for the year	18,148	8,604	5,000	19,203	-	<b>50,955</b>
Disposals	-	-	-	-	-	-
Impairment	-	-	-	(20,000)	-	<b>(20,000)</b>
At 31 March 2024	323,100	25,812	10,000	37,213	-	<b>396,125</b>
<b>Net book value</b>						
At 31 March 2024	512,156	111,913	40,000	164,300	24,537	<b>852,906</b>
At 31 March 2023	530,304	120,517	45,000	194,477	-	<b>890,298</b>

During 2023/24, a review of tangible fixed assets was undertaken to identify any indications of impairment. As part of this review, it was identified that an item of equipment, with a net book value of £30,000 as at 31 March 2023, showed

indications of impairment. As a result, an impairment charge has been recognised in 2023/24 to account for the current recoverable value of the asset.

## 11. DEBTORS

	2024	2023
	£	£
Rental debtors	9,987	8,701
Prepayments and accrued income	4,197	3,983
Recoverable VAT	15,696	34,838
Other debtors	76	92
Sundry debtors	213,381	69,105
<b>Total</b>	<b>243,337</b>	<b>116,719</b>

## 12. CREDITORS – AMOUNT FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	18,531	25,604
Accruals	30,883	76,161
Deferred income	10,262	9,940
Other creditors	5,742	26,567
<b>Total</b>	<b>65,418</b>	<b>138,272</b>

Deferred income relates to rental income received in advance for periods after the year-end.

	2024	2023
	£	£
<b>Deferred income analysis within creditors:</b>		
Balance at 1 April	9,940	2,730
Amounts released to income	(9,940)	(2,730)
Amounts deferred in the year	10,262	9,940
Balance at 31 March	<b>10,262</b>	<b>9,940</b>

## 13. CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Sundry deposits	<b>12,000</b>	12,000

The Sundry deposit relates to a Café rent deposit.



## 14. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Unrestricted Income Funds		Restricted Funds	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	852,906	-	<b>852,906</b>	890,298
Current Assets	79,686	136,600	1,023,534	<b>1,239,820</b>	1,072,678
Current Liabilities	(65,418)	-	-	<b>(65,418)</b>	(138,272)
Non-current liabilities	(12,000)	-	-	<b>(12,000)</b>	(12,000)
<b>Total</b>	<b>2,268</b>	<b>989,506</b>	<b>1,023,534</b>	<b>2,015,308</b>	1,812,704

At 31 March 2023	Unrestricted Income Funds		Restricted Funds	Total at 31 March 2023	Total at 31 March 2022
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	890,298	-	890,298	814,295
Current Assets	152,540	132,586	787,552	1,072,678	274,028
Current Liabilities	(138,272)	-	-	(138,272)	(71,938)
Non-current liabilities	(12,000)	-	-	(12,000)	(12,000)
<b>Total</b>	<b>2,268</b>	<b>1,022,884</b>	<b>787,552</b>	<b>1,812,704</b>	1,004,385

## 15. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total as at 1 April 2023	Income	Expenditure	Gains & (losses)	<b>Total as at 31 March 2024</b>
	£	£	£	£	£
Restricted funds:					
Legacy income	60,014	-	-	-	<b>60,014</b>
Campaign donations	6,228	1,004	-	-	<b>7,232</b>
S106 contributions	721,310	340,120	(105,142)	-	<b>956,288</b>
<b>Total restricted funds</b>	<b>787,552</b>	<b>341,124</b>	<b>(105,142)</b>	<b>-</b>	<b>1,023,534</b>
Unrestricted funds:					
General funds	2,268	1,338,447	(1,338,447)	-	<b>2,268</b>
Designated funds:					
Stoke Common	132,586	4,014	-	-	<b>136,600</b>
Land and Buildings	530,304	-	(18,148)	-	<b>512,156</b>
Infrastructure	120,517	-	(8,604)	-	<b>111,913</b>
Furniture and Equipment	194,477	19,026	(19,203)	(30,000)	<b>164,300</b>
Plant	45,000	-	(5,000)	-	<b>40,000</b>
Vehicles	-	24,537	-	-	<b>24,537</b>
<b>Total designated funds</b>	<b>1,022,884</b>	<b>47,577</b>	<b>(50,955)</b>	<b>(30,000)</b>	<b>989,506</b>
<b>Total unrestricted funds</b>	<b>1,025,152</b>	<b>1,386,024</b>	<b>(1,389,402)</b>	<b>(30,000)</b>	<b>991,774</b>

## RESTATED

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Total as at 31 March 2023 £
<b>Restricted funds:</b>				
Legacy income	60,014	-	-	60,014
Campaign donations	1,553	4,675	-	6,228
S106 contributions	-	754,785	(33,475)	721,310
Landscape Project	-	10,000	(10,000)	-
<b>Total restricted funds</b>	<b>61,567</b>	<b>769,460</b>	<b>(43,475)</b>	<b>787,552</b>
<b>Unrestricted funds:</b>				
General funds	831	1,423,939	(1,422,502)	2,268
<b>Designated funds:</b>				
Stoke Common	130,440	2,146	-	132,586
Land and Buildings	548,452	-	(18,148)	530,304
Infrastructure	117,820	11,301	(8,604)	120,517
Furniture and Equipment	143,540	67,442	(16,505)	194,477
Plant	50,000	-	(5,000)	45,000
<b>Total designated funds</b>	<b>990,252</b>	<b>80,889</b>	<b>(48,257)</b>	<b>1,022,884</b>
<b>Total unrestricted funds</b>	<b>991,083</b>	<b>1,504,828</b>	<b>(1,470,759)</b>	<b>1,025,152</b>
<b>Total funds</b>	<b>1,052,650</b>	<b>2,274,288</b>	<b>(1,514,234)</b>	<b>1,812,704</b>

**Purposes of restricted funds**

*Legacy income* - To be held and spent in accordance with the donor's wishes in maintaining a pond area.

*Campaign donations* - Represents funds received from the public through donations. A donations page has been created on the Burnham Beeches webpage, inviting and enabling the public to make online donations to the Burnham Beeches ancient trees campaign. In total, £1,004 was received during the year (2022/23: £4,675).

*Section 106 Contributions* – Funds received from Slough Borough Council and Buckinghamshire Council under Section 106 of the Town and Country Planning Act 1990 and Strategic Access Management & Monitoring Strategy agreements. Projects will be undertaken to mitigate the impact of local new developments.

**Purposes of unrestricted funds**

*General fund* – Consists of surplus unrestricted donation income. Unrestricted donations received during the year were £1,450 (2022/23: £3,438) of which £nil (2022/23: £1,437) was surplus and transferred to the general fund.

Designated funds have been set aside by the Trustee for the following purposes:

*Fixed Assets (Land and Buildings Fund, Infrastructure Fund, Vehicle Fund, Furniture and Equipment Fund and Plant Fund)* – tangible fixed assets are included at historic cost less provision for depreciation and any impairment. The net book value of fixed assets at 31 March 2024 was £852,906 and is represented by these five designated funds (2022/23: £890,298, four designated funds). The figures for the previous year have been restated following a renaming of asset headings during 2023/24.

*Stoke Common designated fund* – Stoke Common was acquired by the City of London from South Bucks District Council on 31 October 2007. On 12 September 2011, the

assets and liabilities of Stoke Common were transferred to Burnham Beeches and Stoke Common. £109,872 was transferred, being the balance of the lump sum from South Buckinghamshire District Council; interest accrued to date is reflected in the balance of £136,600 as at 31 March 2024 (2022/23: £132,586). This lump sum is to fund on-going maintenance costs of Stoke Common.

## 16. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 4. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 6.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>972,419</b> (nil)	1,050,592 (nil)	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity
		<b>244,630</b> (nil)	212,208 (nil)	Administrative services provided for the charity

## **REFERENCE AND ADMINISTRATION DETAILS**

**CHARITY NAME** Burnham Beeches and Stoke Common

Registered charity number 232987

### **PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION**

Guildhall, London, EC2P 2EJ

### **TRUSTEE**

The Mayor and Commonalty & Citizens of the City of London

### **SENIOR MANAGEMENT**

#### **Chief Executive**

Ian Thomas CBE – The Town Clerk and Chief Executive of the City of London Corporation

#### **Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

#### **Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

#### **Environment Department**

Katie Stewart – Executive Director of Environment

Emily Brennan – Director of Natural Environment

#### **AUDITORS**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

#### **BANKERS**

Lloyds Bank Plc., P.O.Box 1000, BX1 1LT

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents & of the Annual Report of City's Estate:

CHBOffice-BusinessSupport@cityoflondon.gov.uk

Epping Forest

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 232990

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## **ORIGINS OF THE CHARITY**

As one of the earliest publicly accessible wild landscapes in England, Epping Forest predates the UK's National Parks by nearly 80 years and shares a common bond in seeking to preserve the wildness of a treasured landscape whilst guaranteeing widespread public access.

The Forest was acquired by the City of London Corporation in the late 19th century and is held under the framework in the Epping Forest Act 1878. Today the City of London Corporation, in its capacity as the Conservators of Epping Forest and Trustee of the Epping Forest charity, continues to preserve the Forest for the public to enjoy.

Promoting and enabling public access to the Forest remains our guiding principle and we strive to exceed visitors' expectations by providing a safe and welcoming environment, rich in wildlife, which offers activity and excitement, and peace and tranquillity in equal measure. We welcome over 10 million people to the Forest every year, and we want all visitors to continue to value their Forest, and to benefit from all that the Forest has to offer.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

The governing documents of the Epping Forest charity (registration number 232990) (“the charity”) are the Epping Forest Acts 1878 and 1880 as amended. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as ‘the City Corporation’ or ‘the City of London Corporation’), a body corporate and politic, is the Trustee of the Epping Forest charity. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees.

Elected Aldermen and Members of the City of London Corporation are appointed to the Epping Forest and Commons Committee, together with four Verderers - locally elected by Epping Forest Commoners in elections held every seven years - under the terms of the Epping Forest Act 1878 relating to the Epping Forest Committee.

Members of the Court of Common Council are unpaid for support provided to the charity and are elected by the electorate of the City of London. The key committees which had responsibility for directly managing or considering matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity’s investments which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.
- **Corporate Services Committee** – responsible for personnel and establishment matters, including negotiations with the recognised trade unions.
- **Epping Forest & Commons Committee** – responsible for the activities undertaken at Epping Forest and approving budget allocations for the forthcoming year.
- **Epping Forest Consultative Committee** – considers and discusses areas of concern or debate at Epping Forest with representative user groups across the Forest – particularly those due to be raised at Epping Forest and Commons Committee.



All of the above committees are ultimately responsible to the Court of Common Council. Committee meetings are held at the Trustee's discretion in public (except where it is not considered in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The charity is consolidated within City's Estate as the City of London Corporation exercises operational control over its activities. City's Estate, which was renamed from City's Cash during 2023/24, is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests, and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Estate to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The Trustee believes that good governance is fundamental to the success of the charity. An initial review of governance was undertaken to ensure that the charity is effective in fulfilling its objectives, and further, more detailed work is underway as part of a corporate review of the open space charities of which the City Corporation is the trustee. Reference is being made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 35.

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

## **INDUCTION AND TRAINING OF MEMBERS AND COMMITTEE MEMBERS**

The City Corporation makes seminars and briefings on various aspects of its activities, including those concerning the charity, available to its Members and others serving on committees which are involved with the charity to enable them to carry out their duties efficiently and effectively. If suitable seminars or other training options are identified that are relevant to the charity, Members and other committee members are advised of these opportunities.

## OBJECTIVES AND ACTIVITIES

The objective of the charity is the preservation of Epping Forest in perpetuity, as an open space for the recreation and enjoyment of the public. The open space consists of the lands known as Epping Forest, and includes Wanstead Park and Highams Park. Various buffer lands have been acquired by the City Corporation, in its corporate capacity (rather than as trustee of the charity), around the edges of Epping Forest and are managed in complement to the Forest.

### Investment Policy

The charity's investments are held in units of the City of London Charities Pool (registered charity number: 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 35.

### Volunteers

Epping Forest welcomes volunteers both directly and through partner organisation in all aspects of Forest management from conservation, to front of house and Rangers.

### Remuneration Policy

The charity's staff are employees of the City Corporation and pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 8 to the financial statements.

The City Corporation is committed to equal opportunities for all employees. An Equality, Diversity and Inclusion (EDI) Sub-Committee has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Sub-Committee is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City Corporation's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City Corporation's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five-year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29.

The City Corporation's Equality Objectives 2024-2029 are positioned as a dynamic crosscutting framework for advancing and integrating the City Corporation's commitment to equity, equality, diversity and inclusion as a leader, employer, and service provider. They are collectively owned across all departments and institutions.

## **Fundraising**

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although the charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the charity’s executive staff, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

There is a donations page on the Epping Forest webpage inviting and enabling the public to make online donations to either the Epping Forest Common Toad Conservation Project or the Epping Forest New Sculptures and Trail campaign.

The charity received no complaints in relation to fundraising activities in 2023/24 (2022/23: nil). Individuals are not approached for funds; hence the charity does not consider it necessary to design specific procedures to monitor such activities.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Epping Forest charity’s aims and objectives and in planning future activities. The purpose of the charity is the preservation of Epping Forest in perpetuity by the City of London Corporation as the Conservators of Epping Forest, as an Open Space for the recreation and enjoyment of the public.

The charity is operated as part of the City of London Corporation’s City’s Estate. The City of London Corporation is committed to contributing to funding, as necessary, the ongoing net operational costs of the charity.

Consequently, the Trustee considers that Epping Forest operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 35.

## ACHIEVEMENTS AND PERFORMANCE

**Epping Forest's 2023/24 aims together with their outcomes were:**

**Corporate Restructure** – This process was concluded in May 2023 with the implementation of a new staffing structure for the charity. Assimilation and redeployment processes were concluded, and recruitment continues.

**Charity Review** – Scoping phase of a review of the governance and operations of the Natural Environment charities of which the City of London Corporation is trustee (including the Epping Forest charity) took place in 2023/24, with initial recommendations implemented where applicable and areas for further work identified.

**Byelaws** – Continuation of the existing project to review and update Epping Forest byelaws where necessary or desirable has been progressed but paused pending the outcome of the Charity Review.

**Lodges and Property** – The programme of refurbishment of properties suited to their planned use, including exploring various letting options, continued.

**Visitor Management Plan** – Superseded by the introduction of a suite of Natural Environment Division strategies. The detail of the proposed visitor management plan will now be captured in a new business plan for the charity.

**Countryside Steward Scheme (CSS)** – The delivery of the existing grant programme of habitat management continued and a new application for a second CSS grant for the remaining areas of Epping Forest was submitted.

**Conservation Management Plan** – completed for The Temple.

**Sustainable Urban Drainage Scheme (SUDS)** – investigated for Wanstead Park but was not achievable. An alternative scheme for water management was scoped and funding allocated to this from partners Thames 21 and the City of London Climate Action Strategy.

**Great Gregories** – Funding achieved and project commencement for the construction of improved overwintering facilities for the Epping Forest conservation grazing herd.

**Carbon Reduction Strategy** – continued participation in the City of London Climate Action Strategy and completion of a carbon reduction plan for Epping Forest.

**Natural Capital Audit** – completed for the Open Spaces for which the City Corporation is a charity trustee, including Epping Forest.

## PLANS FOR FUTURE PERIODS

### Key projects for 2024/25 include:

- Introduction of a new Strategic Access Monitoring and Mitigation Strategy (SAMMS) and recruitment of SAMMS Ambassadors.
- Relaunch of a bench sponsorship scheme.
- Launch of an ancient tree sponsorship scheme.
- Scoping project for the provision of a standalone website for Epping Forest.
- Launch of a Lidar Interpretation and Engagement Project.
- Launch of volunteer recruitment campaign.
- Completion of Great Gregories overwintering facilities project to facilitate management of the conservation grazing herd.
- Award of Countryside Stewardship Forest 2 grant for habitat improvements and commence implementation.
- Commencement of Paths Repair Project including completion of 'Rangers Ride' path between Butlers Retreat and Connaught Water.
- Completion of 'Lost Spur' project at Wanstead Park to clear the lost spur on Henronry Pond and creation of two new reed beds.
- Completion of Wanstead Park play area phase two which will create an accessible path, install picnic benches and a new all ability swing.
- Review of major incident plans.
- Completion of the Grotto restoration and maintenance plan.
- Introduction of a new Wanstead Park Programme board to oversee Wanstead Park projects.
- Continuation of lodge renovations, including completion of Jubilee Retreat flats.
- Publication of a new five-year management plan for Epping Forest.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24, the charity's total income for the year was £9,028,275 - an overall increase of £840,172 against the previous year (£8,188,103). The principal source of income was from City of London Corporation's City's Estate fund, with an increase in the contribution from the City of London Corporation explaining the overall increase in income compared with 2022/23 (see below).

Income from Charitable Activities totalled £1,897,022 (2022/23: £2,480,124), including £1,259,752 from charges for use of facilities and licences (2022/23: £1,845,995), £489,376 from rents (2022/23: £488,724) and £147,894 from sales of goods, products and materials (2022/23: £145,405). The decrease in income from Charitable Activities compared with 2022/23 can largely be explained by the proceeds of a one-off insurance claim being received in 2022/23 and reduced income being received from storage fees compared with the previous year.

In total, income from grants and contributions of £519,709 was received in the year, towards programmes administered by the charity (2022/23: £778,947). This income consisted of the following:

- A restricted government grant of £179,300 was received in the year from the Countryside Stewardship Scheme (CSS) which provides funding to farmers and land managers to manage their land in a way that supports biodiversity, enhances the landscape, and improves the quality of water, air and soil (2022/23: £207,654).
- Contributions were received from a local authority totalling £151,376 in relation to the Strategic Access Management and Monitoring Strategy (SAMMS) in order to help mitigate the impact of future developments around Epping Forest (2022/23: £0).
- Income of £99,000 (2022/23: £427,652) was received in relation to a deed of grant easement for Monkams Cottage, Aimes Green, Waltham Abbey. The proceeds were credited to the Epping Forest Capital Fund, which can be used for the acquisition of Forest land or capital projects in the Forest.
- Grant income from other sources of £90,033 were received from a range of bodies including from the Rural Payments Agency, the Museum of London Docklands and The Worshipful Company of Cordwainers (2022/23: £143,641).

Donations were amounts received from the public including through donation boxes at the Temple and at the View as well as via the Epping Forest webpage. Unrestricted donations amounted to £2,320 in 2023/24 (2022/23: £39,178). In total, £150 in restricted donations income was also received during the year (2022/23: £60) via the website. Donations can be made on the Epping Forest webpage, to either the Epping Forest Common Toad Conservation Project or the Epping Forest New Sculptures and Trail campaign.

Investment income totalling £36,378 (2022/23: £11,212) was received during the year. This consisted of distributions from the Charities Pool and interest receivable on cash balances held on behalf of the charity.

An amount of £6,572,696 (2022/23: £4,878,582) was received from the City of London Corporation's City's Estate as a contribution towards the running costs of the charity. The increase compared with the previous year can be explained by an increase in the level of capital expenditure being funded through City's Estate as well as additional expenditure being incurred by the charity compared with 2022/23 (see below), which resulted in the increase in the contribution provided by City's Estate.

### **Expenditure**

Total expenditure for the year relating to charitable activities expenditure was £8,352,871 (2022/23: £7,601,136). The increase in expenditure can be explained by additional energy costs being incurred as a result of inflationary price rises in addition to extra grounds maintenance costs and an increase in the level of costs recharged from support service departments.

### **Funds held**

The charity's total funds held increased by £675,793 to £7,561,132 as at 31 March 2024 (2022/23: £6,885,339).

The charity's designated funds consist of unrestricted funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to "undesignate" these funds at any time. Designations as at 31 March 2024 totalled £6,517,241 (2022/23: £6,627,298).

In addition, unrestricted general funds amounted to £549,782 as at 31 March 2024 (2022/23: £6,109). In the year, the Trustee agreed to 'undesignate' £543,284 in funds previously held as designated funds.

Restricted funds of £494,109 (2022/23: £251,932) were held at year-end. These relate to £341,798 in relation to the Countryside Stewardship Scheme, £151,376 in unspent SAMMS contributions and Campaign Donations of £935. Plans are being put in place for utilising these funds.

Details of all funds held, including their purposes, is set out within note 16 to the financial statements.

### **Investments performance**

Over the course of 2023/24, the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	+9.03%	+7.62%	+14.06%	+5.64%
FTSE All Share	+8.05%	+5.44%	+13.81%	+5.04%
Fund outperformance	+0.98%	+2.18%	+0.26%	+0.61%

## Reserves

The charity receives significant support from the City of London Corporation which has committed to contribute as necessary to the funds of the charity; it does so out of City's Estate. These funds are used to meet the deficit on running expenses on a year-by-year basis. Consequently, a reserves policy is currently considered by the Trustee to be inappropriate. Unrestricted funds of £549,782 were held as at 31 March 2024 (2022/23: £6,109) relating to surplus unrestricted donation income held in reserve as well as amounts previously held as designated funds which the Trustee agreed during 2023/24 to 'undesignate' until a purpose to utilise these funds has been identified.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 20.

The Trustee is monitoring the situation and will continue with its purpose to preserve Epping Forest in perpetuity as an Open Space for recreation and enjoyment of the public.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice, the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
<b>Decline in condition of buildings and structural assets</b>	Officers work with colleagues in the City Surveyor's Department on a Schedule to carry out inspections, identify maintenance needs and source funding for necessary works. Plans and actions are taken to maintain the condition of the scheduled ancient monuments (SAMS).
<b>Tree failure</b>	Regular inspections of trees are undertaken according to Forest-wide risk zones. Issues with specific dangerous trees are addressed as a matter of urgency. A Severe Weather Protocol is implemented in the event of severe storms/high winds.
<b>Failure of raised reservoirs</b>	Weekly inspection of reservoirs / dams. Statutory inspection visits by engineer every six months. A project is underway to progress works on Wanstead Park Reservoirs. Undertake surveys and investigate funding options for works on ponds.



Risk	Actions to manage risks
<b>Deterioration of Wanstead Park Reservoirs</b>	Supervising Panel Engineer is kept up to date with the projects progress during 6 monthly inspections. A gateway 5 report will be prepared to request funding and permission to progress works on site.
<b>Negative impacts from pests and diseases</b>	Develop a Natural Environment Divisional approach to INNS, pests and pathogens. Actions in response to notifications of a nearby Bovine Tuberculosis breakdown (loss of OFT status). HABs monitoring and awareness raising.
<b>Loss of forest and buffer land and/or concession of prescriptive rights</b>	Audits of all forest compartments are underway. Officers work with colleagues in the City Surveyor's and Comptroller and City Solicitor's Departments to consider whether legal action is required to settle disputes.
<b>Impacts of anti-social behaviour on staff and site</b>	Implementation and monitoring of PSPOs and other dog control measures on sites. Officers work in partnership with a range of Police and Anti-Social Behaviour managers to manage this risk. Activity based codes of conduct or guidelines for cycling, dog walking, fishing and horse riding have been developed. Take appropriate action to address cases of anti-social irresponsible and unsafe public behaviour. Develop an Enforcement Policy to deal with public behaviour which contravenes the Epping Forest byelaws.
<b>Risk for health and safety</b>	Staff roles are linked to essential and desirable training needs which are under continual and annual review. The Health and Safety Manager is actively engaged in assisting sites to identify and manage their health and safety risks. Departmental and divisional health and safety groups ensure issues are discussed, knowledge shared, and advice and support provided. Health and Safety checks undertaken annually for all refreshments and food outlets under licence in the forest, excluding ice cream vans. Provide support to staff experiencing physical and mental stress due to work.
<b>Negative impacts of development and encroachment</b>	Continue to monitor and comment on the Epping Forest District Council, London Borough of Waltham Forest and other surrounding local plans. The Forest Transport Strategy has been drafted and relevant authorities will be consulted.
<b>Recruitment of Suitable staff and work-force planning</b>	Identify key roles where officers are nearing retirement or expressing development needs or desire to leave CoL or the relevant Department. Review this data annually via PDR's and one to ones.

Risk	Actions to manage risks
	<p>Succession plan drawn up by Management Team and agreed by the Assistant Director. HR support for key roles.</p> <p>Increase documentation of memory-based knowledge. Ensure that information needed for emergency situations and out of hours is written down forming part of a pack. Move collected data onto the GIS system.</p> <p>Ability to recruit overlapping positions to allow transfer of knowledge. Budgetary consideration and proactive support from HR.</p>
<b>Budget Pressures</b>	<p>Working to deficit budget reduction targets by increasing income generation.</p> <p>Seek opportunities for income generation e.g. from car parking charges, lodge rentals and commercial wayleaves.</p>
<b>Declining Site of Special Scientific Interest (SSSI)/Special Area of Conservation (SAC) Condition</b>	<p>Countryside Stewardship (CSS) Agreement (Forest 1) for part of the SSSI for 2020-2029 is being delivered. Applications for further Countryside Stewardship grants are likely to be submitted in 2024.</p> <p>Natural England officers will be reviewing the remaining SSSI compartments for reassessment.</p>
<b>Adverse impacts of extreme weather and climate change</b>	<p>Site-specific wildfire response plans have been signed off by the respective Fire and Rescue Services.</p> <p>Site inspections by fire officers have been completed.</p> <p>All fire access zones are cut twice per year. Drought limits grass growth but growth recommences quickly when wetter conditions develop.</p>
<b>Wanstead Park Heritage at Risk Register</b>	<p>Meetings with Historic England and the Wanstead Park Liaison Group. Funding is being worked on through the Wanstead Park Project Board; a Gateway 5 report for works to the dam was approved in January 2023 for £1.15m. Because of project inflation costs, further funding has now been agreed and the consultants will be engaged in 2024.</p>
<b>Major Incident resulting in prolonged 'Access Denial'</b>	<p>The Emergency Action Plan was tested successfully during the pandemic using JESIP (Joint Emergency Services Interoperability Principles) and has been implemented and supported by additional measures.</p>

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation  
Guildhall, London

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation, Guildhall, London

Guildhall, London

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# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF EPPING FOREST

## Opinion

We have audited the financial statements of Epping Forest ('the charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and 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 31 March 2024 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 contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 13 and 14, 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory

correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### **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 charity's 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

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Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds 2023/24 £	Restricted Funds 2023/24 £	2023/24 Total Funds £	2022/23 £
<b>Income from:</b>					
Voluntary activities	2	191,353	330,826	<b>522,179</b>	818,185
Charitable activities	3	1,897,022	-	<b>1,897,022</b>	2,480,124
Grant from City of London Corporation	4	6,572,696	-	<b>6,572,696</b>	4,878,582
Investments	5	36,378	-	<b>36,378</b>	11,212
<b>Total income</b>		<b>8,697,449</b>	<b>330,826</b>	<b>9,028,275</b>	8,188,103
<b>Expenditure on:</b>					
Charitable activities:					
Preservation of Epping Forest	6	8,264,222	88,649	<b>8,352,871</b>	7,601,136
<b>Total expenditure</b>		<b>8,264,222</b>	<b>88,649</b>	<b>8,352,871</b>	7,601,136
Net gains/(losses) on investments	11	389	-	<b>389</b>	(92)
<b>Net expenditure</b>		<b>433,616</b>	<b>242,177</b>	<b>675,793</b>	586,876
<b>Transfers between funds</b>				-	-
<b>Net movement in funds</b>		<b>433,616</b>	<b>242,177</b>	<b>675,793</b>	586,876
<b>Reconciliation of funds:</b>					
Total funds brought forward	16	6,633,407	251,932	<b>6,885,339</b>	6,298,463
<b>Total funds carried forward</b>	16	<b>7,067,023</b>	<b>494,109</b>	<b>7,561,132</b>	6,885,339

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 20 to 34 form part of these financial statements.



**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Heritage assets	9	376,989	377,950
Tangible assets	10	5,006,440	4,619,544
Investments	11	4,355	3,966
<b>Total fixed assets</b>		<b>5,387,785</b>	5,001,460
<b>Current assets</b>			
Stock		28,593	31,293
Debtors	12	466,562	531,993
Cash at bank and in hand		2,510,566	2,026,358
<b>Total current assets</b>		<b>3,005,721</b>	2,589,644
<b>Creditors: Amounts falling due within one year</b>	13	<b>(769,361)</b>	(643,680)
<b>Net current assets/(liabilities)</b>		<b>2,236,360</b>	1,945,964
<b>Total assets less current liabilities</b>		<b>7,624,145</b>	6,947,424
<b>Creditors: Amounts falling due after more than one year</b>	14	<b>(63,014)</b>	(62,085)
<b>Total net assets</b>		<b>7,561,132</b>	6,885,339
<b>The funds of the charity:</b>			
Restricted income funds	16	494,109	251,932
Unrestricted income funds	16	7,067,023	6,633,407
<b>Total funds</b>		<b>7,561,132</b>	6,885,339

The notes on pages 20 to 34 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

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# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charities, which is a public benefit entity under FRS102, have been prepared under the historical cost convention as modified by the valuation of investments which are held at fair value and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the current inflationary pressures on the financial position, including future income levels, planned expenditure and the liquidity of the charity over the next 12-month period. The assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period from these financial statements being signed. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets and the recovery of debts.

**(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the charity is not required to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Estate Annual Report and Financial Statements 2024 which is publicly available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for services and use of facilities, contributions, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Estate meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. These costs are recharged, and the basis of the cost allocation is set out in note 7.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

**(g) Pension costs**

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation

as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set the contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21, 2021/22 and 2022/23 had been set at 21%.

#### **(h) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(i) Fixed Assets**

##### **Heritage Land and Associated Buildings**

Epping Forest comprises 2,485 hectares (6,142 acres) of land stretching 12 miles from Manor Park in East London to just north of Epping in Essex, together with associated buildings. The object of the charity is the preservation of Epping Forest in perpetuity as an Open Space for the recreation and enjoyment of the public. Epping Forest is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured. Heritage assets are reviewed annually for indicators of impairment and adjusted accordingly if required.

##### **Tangible fixed assets**

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and

accumulated impairment losses. Depreciation is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows. Land is not depreciated.

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 25
Infrastructure	up to 20
Heavy vehicles and plant	up to 10

#### **(j) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

#### **(k) Stocks**

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the charity operation.

#### **(l) Cash**

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation’s treasury management activities with original maturities of three months or less.

#### **(m) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Restricted funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted funds** – these funds can be used in accordance with the charitable object at the discretion of the Trustee and include income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**Designated funds** – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

**(n) Insurance**

The City Corporation's elected Members and City Corporation staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	Unrestricted funds	Restricted funds	Total 2023/24	Unrestricted funds	Restricted funds	Total 2022/23
	£	£	£	£	£	£
Grants and contributions	189,033	330,676	<b>519,709</b>	523,293	255,654	778,947
Donations and legacies	2,320	150	<b>2,470</b>	39,178	60	39,238
<b>Total</b>	<b>191,353</b>	<b>330,826</b>	<b>522,179</b>	<b>562,471</b>	<b>255,714</b>	<b>818,185</b>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Charges for use of facilities	<b>1,259,752</b>	1,845,995
Sales	<b>147,894</b>	145,405
Rental income	<b>489,376</b>	488,724
<b>Total</b>	<b>1,897,022</b>	<b>2,480,124</b>

**4. INCOME FROM THE CITY OF LONDON CORPORATION**

	Unrestricted funds 2023/24	Unrestricted funds 2022/23
	£	£
Revenue and capital grants from City of London Corporation	<b>6,572,696</b>	<b>4,878,582</b>

## 5. INCOME FROM INVESTMENTS

	Unrestricted funds <b>2023/24</b> £	Unrestricted funds 2022/23 £
Interest	<b>36,378</b>	11,212

### Income for the year included:

**Grants and contributions** – being amounts received from organisations and grant bodies towards programmes operated by the charity including contributions from local authorities relating to Strategic Access Management and Monitoring Strategy monies (SAMMS).

**Donations** – being amounts received from the public through donation boxes at the Temple and at the View as well as via a donations page on the Epping Forest webpage, inviting and enabling the public to make on-line donations to either the Epping Forest Common Toad Conservation Project or the Epping Forest New Sculptures and Trail campaign. Donations income also refers to income generated from sponsorship.

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation's City's Estate to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

**Investment income** – being the amount received from the Charities Pool and interest receivable on cash balances held on behalf of the charity.

**Charitable activities** – being amounts generated from the sales of leaflets, books, maps cards and other publications relating to Epping Forest; charges made to the public for the use of facilities, admissions and services and from rental income.

## 6. EXPENDITURE

### Expenditure on charitable activities

	Direct costs £	Support costs £	<b>Total 2023/24 £</b>	Direct costs £	Support costs £	Total 2022/23 £
Preservation of Epping Forest	<u>6,470,418</u>	<u>1,882,453</u>	<u><b>8,352,871</b></u>	<u>6,137,313</u>	<u>1,463,823</u>	<u>7,601,136</u>

### Charitable activity

Expenditure on charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Epping Forest.

## Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24, an audit fee of £6,930 was recharged (2022/23: £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).

## 7. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Department:				
Chamberlain	204,973	-	<b>204,973</b>	175,703
Comptroller & City Solicitor	14,823	-	<b>14,823</b>	30,698
Town Clerk	-	187,937	<b>187,937</b>	151,410
City Surveyor	387,444	-	<b>387,444</b>	336,134
Natural Environment directorate	627,837	-	<b>627,837</b>	536,894
Other governance & support costs	77,541	6,930	<b>84,471</b>	88,824
Digital Services	374,968	-	<b>374,968</b>	144,160
Sub-total	1,687,586	194,867	<b>1,882,453</b>	1,463,823
Reallocation of governance costs	194,867	(194,867)	-	-
Total support costs	1,882,453	-	<b>1,882,453</b>	1,463,823

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

## 8. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 62 (2022/23: 67).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:



	<b>2023/24</b>	2022/23
	<b>£</b>	£
Salaries and wages	<b>2,398,648</b>	2,274,886
National Insurance costs	<b>233,227</b>	229,211
Employer's pension contributions	<b>439,225</b>	448,193
<b>Total emoluments of employees</b>	<b>3,071,100</b>	2,952,290

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was 2.0 (2022/23: 1.0).

	<b>2023/24</b>	2022/23
£60,000 - £69,999	<b>1.0</b>	-
£70,000 - £79,999	-	1.0
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-
£100,000 - £109,999	-	-
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	-
£140,000 - £149,999	<b>1.0</b>	-
	<b>2.0</b>	1.0

### Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Natural Environment who manages the seven open spaces for which the City of London Corporation is a charity trustee. A proportion of the Directors' employment benefits are allocated to this charity.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The amount of employee benefits received by key management personnel totalled £44,025 (2022/23: £87,357). No Members received any remuneration for acting on behalf of the Trustee, with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2023/24 (2022/23: nil).

## 9. HERITAGE ASSETS

	2020 £	2021 £	2022 £	2023	2024
<b>Cost</b>					
At 1 April	388,382	388,382	388,382	388,382	388,382
<b>At 31 March</b>	<b>388,382</b>	<b>388,382</b>	<b>388,382</b>	<b>388,382</b>	<b>388,382</b>
<b>Depreciation</b>					
At 1 April	6,589	7,550	8,510	9,471	10,432
Charge for the year	961	960	961	961	961
<b>At 31 March</b>	<b>7,550</b>	<b>8,510</b>	<b>9,471</b>	<b>10,432</b>	<b>11,393</b>
<b>Net book value</b>					
<b>At 31 March</b>	<b>380,832</b>	<b>379,872</b>	<b>378,911</b>	<b>377,950</b>	<b>376,989</b>
At 31 March	381,793	380,832	379,872	378,911	377,950

Since 1878 the primary purpose of the charity has been the preservation of Epping Forest for the recreation and enjoyment of the public. As set out in Note 1(i), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Epping Forest are contained in the Epping Forest Conservation Management Plan. Records of heritage assets owned and maintained by Epping Forest can be obtained from the Director of Natural Environment at the principal address as stated on page 35.

## 10. TANGIBLE FIXED ASSETS

	Land and Buildings £	Infrastructure £	Vehicles and Plant £	Equipment £	Total £
<b>Cost</b>					
At 1 April 2023	3,942,370	4,486,964	358,578	409,738	9,197,650
Additions	-	385,756	458,716	-	844,472
<b>At 31 March 2024</b>	<b>3,942,370</b>	<b>4,872,720</b>	<b>817,294</b>	<b>409,738</b>	<b>10,042,122</b>
<b>Depreciation</b>					
At 1 April 2023	2,059,338	1,976,349	183,567	358,852	4,578,106
Charge for the year	181,383	230,923	36,515	8,755	457,576
<b>At 31 March 2024</b>	<b>2,240,721</b>	<b>2,207,272</b>	<b>220,082</b>	<b>367,607</b>	<b>5,035,682</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>1,701,649</b>	<b>2,665,448</b>	<b>597,212</b>	<b>42,131</b>	<b>5,006,440</b>
At 31 March 2023	1,883,032	2,510,615	175,011	50,886	4,619,544

## 11. FIXED ASSET INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	2023
	£	£
Market value 1 April	3,966	4,058
Gain/(loss) for the year	389	(92)
<b>Market value 31 March</b>	<b>4,355</b>	3,966
<b>Cost 31 March</b>	<b>438</b>	438
Units held in Charities Pool	<b>438</b>	438

The geographical spread of listed investments as at 31 March 2024 was as follows:

	Held		Total at 31	Held		Total at 31
	Held in the	outside the	March	Held in the	outside the	March 2023
	UK	UK	2024	UK	UK	
	£	£	£	£	£	£
Equities	3,665	477	<b>4,142</b>	3,218	540	3,758
Pooled Units	162	-	<b>162</b>	130	-	130
Cash held by Fund Manager	51	-	<b>51</b>	78	-	78
<b>Total</b>	<b>3,878</b>	<b>477</b>	<b>4,355</b>	<b>3,426</b>	<b>540</b>	<b>3,966</b>

## 12. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	2024	2023
	£	£
Rental debtors	<b>35,842</b>	33,220
Prepayments and accrued income	<b>36,784</b>	34,924
Recoverable VAT	<b>151,354</b>	126,115
Other debtors	<b>242,582</b>	337,734
<b>Total</b>	<b>466,562</b>	531,993

## 13. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	<b>206,595</b>	248,097
Accruals	<b>383,033</b>	263,142
Deferred income	<b>91,917</b>	76,037
Other creditors	<b>87,816</b>	56,404
<b>Total</b>	<b>769,361</b>	643,680

Deferred income relates to rental income received in advance for periods after the year-end.

	2024	2023
	£	£
<b>Deferred income analysis within creditors:</b>		
Balance at 1 April	<b>76,037</b>	123,899
Amounts released to income	<b>(76,037)</b>	(123,899)
Amounts deferred in the year	<b>91,917</b>	76,037
Balance at 31 March	<b>91,917</b>	76,037

## 14. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Sundry deposits	<u>63,014</u>	<u>62,085</u>

Sundry deposits relate to rent deposits held on behalf of tenants.

## 15. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Unrestricted Income Funds			Total at 31 March 2024	Total at 31 March 2023
	General Funds	Designated Funds	Restricted Funds		
	£	£	£	£	£
Heritage Assets	-	376,989	-	<b>376,989</b>	377,950
Tangible Assets	-	5,006,440	-	<b>5,006,440</b>	4,619,542
Investments	4,355	-	-	<b>4,355</b>	3,966
Current Assets	1,360,205	1,151,407	494,109	<b>3,005,721</b>	2,589,644
Current Liabilities	(751,764)	(17,597)	-	<b>(769,361)</b>	(643,680)
Non-Current Liabilities	(63,014)	-	-	<b>(63,014)</b>	(62,085)
<b>Total</b>	<b>549,782</b>	<b>6,517,241</b>	<b>494,109</b>	<b>7,561,132</b>	6,885,337

At 31 March 2023	Unrestricted Income Funds			Total at 31 March 2023	Total at 31 March 2022
	General Funds	Designated Funds	Restricted Funds		
	£	£	£	£	£
Heritage Assets	-	377,950	-	377,950	378,911
Tangible Assets	-	4,619,542	-	4,619,542	4,849,752
Investments	-	3,966	-	3,966	4,058
Current Assets	711,874	1,625,838	251,932	2,589,644	1,899,448
Current Liabilities	(643,680)	-	-	(643,680)	(769,946)
Non-Current Liabilities	(62,085)	-	-	(62,085)	(63,760)
<b>Total</b>	<b>6,109</b>	<b>6,627,296</b>	<b>251,932</b>	<b>6,885,337</b>	6,298,463

## 16. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2024 £
<b>Restricted funds:</b>						
Campaign Donations	785	150	-	-	-	935
Countryside Stewardship Scheme	251,147	179,300	(88,649)	-	-	341,798
Strategic Access Management and Monitoring Strategy (SAMMS)	-	151,376	-	-	-	151,376
<b>Total restricted funds</b>	<b>251,932</b>	<b>330,826</b>	<b>(88,649)</b>	<b>-</b>	<b>-</b>	<b>494,109</b>
<b>Unrestricted funds:</b>						
General funds	6,109	7,719,222	(7,719,222)	389	543,284	549,782
<b>Designated funds:</b>						
Tangible fixed assets	4,619,544	841,916	(457,576)	-	-	5,003,884
Heritage assets	377,950	-	(961)	-	-	376,989
Capital Fund	795,162	99,000	(63,817)	-	-	830,345
Sports ground deposit	4,061	-	-	-	(4,061)	-
Golf course machinery fund	12,717	-	-	-	-	12,717
Knighton Wood maintenance	5,801	-	-	-	-	5,801
Branching Out project	42,423	-	-	-	(42,423)	-
Future green infrastructure fund	5,051	-	(1,140)	-	-	3,911
Cattle purchase fund	152,788	37,311	(21,506)	-	-	168,594
Wanstead Park/Flats future projects fund	100,000	-	-	-	-	100,000
South Lodge The Warren	496,800	-	-	-	(496,800)	-
Ancient Trees Maintenance	15,000	-	-	-	-	15,000
<b>Total designated funds</b>	<b>6,627,298</b>	<b>978,227</b>	<b>(545,000)</b>	<b>-</b>	<b>(543,284)</b>	<b>6,517,241</b>
<b>Total unrestricted funds</b>	<b>6,633,407</b>	<b>8,697,449</b>	<b>(8,264,222)</b>	<b>389</b>	<b>-</b>	<b>7,067,023</b>
<b>Total funds</b>	<b>6,885,339</b>	<b>9,028,275</b>	<b>(8,352,871)</b>	<b>389</b>	<b>-</b>	<b>7,561,132</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2023 £
<b>Restricted funds:</b>						
Campaign Donations	725	60	-	-	-	785
Countryside Stewardship Scheme	126,081	207,654	(82,588)	-	-	251,147
Wanstead Park Wetlands Project Funding from Greater London Authority (GLA)	-	38,000	(38,000)	-	-	-
Heritage of London Trust Funding for Phase One Landing Stage Works at The Grotto	-	10,000	(10,000)	-	-	-
<b>Total restricted funds</b>	<b>126,806</b>	<b>255,714</b>	<b>(130,588)</b>	<b>-</b>	<b>-</b>	<b>251,932</b>
<b>Unrestricted funds:</b>						
General funds	-	7,289,843	(6,987,561)	-	(296,173)	6,109
<b>Designated funds:</b>						
Tangible fixed assets	4,849,752	199,894	(430,102)	-	-	4,619,544
Heritage assets	378,911	-	(961)	-	-	377,950
Capital Fund	418,483	427,652	(50,973)	-	-	795,162
Sports ground deposit	4,153	-	-	(92)	-	4,061
Golf course machinery fund	57,717	-	-	-	(45,000)	12,717
Knighton Wood maintenance	5,801	-	-	-	-	5,801
Branching Out project	42,423	-	-	-	-	42,423
Future green infrastructure fund	6,002	-	(951)	-	-	5,051
Cattle purchase fund	107,765	-	-	-	45,023	152,788
Wanstead Park/Flats future projects fund	100,000	-	-	-	-	100,000
South Lodge The Warren	200,650	-	-	-	296,150	496,800
Ancient Trees Maintenance	-	15,000	-	-	-	15,000
<b>Total designated funds</b>	<b>6,171,657</b>	<b>642,546</b>	<b>(482,987)</b>	<b>(92)</b>	<b>296,173</b>	<b>6,627,298</b>
<b>Total unrestricted funds</b>	<b>6,171,657</b>	<b>7,932,389</b>	<b>(7,470,548)</b>	<b>(92)</b>	<b>-</b>	<b>6,633,407</b>
<b>Total funds</b>	<b>6,298,463</b>	<b>8,188,103</b>	<b>(7,601,136)</b>	<b>(92)</b>	<b>-</b>	<b>6,885,339</b>

## Purposes of restricted funds

Restricted funds are held for the following purposes:

- i. *Campaign Donations* - donations can be made on the Epping Forest webpage, to either the Epping Forest Common Toad Conservation Project or the Epping Forest New Sculptures and Trail campaign. In total, £150 was received in restricted donations during the year (2022/23: £60) which is restricted income for 'Campaign Donations'.
- ii. *Countryside Stewardship Scheme* – 10 year grant funding from the Rural Payment Agency towards a specific programme administered by the charity providing financial incentives for farmers, woodland owners, foresters and land managers to look after and improve the environment. At 31 March 2024, £341,798 was held in a restricted fund for the Countryside Stewardship Scheme (2022/23: £251,147).
- iii. *Strategic Access Management and Monitoring Strategy (SAMMS)* – relates to unspent contributions received from local authorities which are available to be spent in future financial years to help mitigate the impact of future developments around Epping Forest. As at 31 March 2024, a restricted fund of £151,376 was held for this purpose (2022/23: £0).

## Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

- i. *Fixed Assets* – these are included at historic cost less depreciation on a straight line basis to write off their costs over their estimated useful lives and less any provision for impairment. At 31 March 2024, the net book value of fixed assets relating to direct charitable purposes amounted to £5,003,884 (2022/23: £4,619,544).
- ii. *Heritage Assets* – additions to land and capital expenditure on buildings and other assets are included as fixed assets at historic cost, less provision for depreciation and any impairment. The net book value of heritage assets to direct charitable purposes at 31 March 2024 was £376,989 (2022/23: £377,950).
- iii. *Capital Fund* - the Epping Forest Capital Fund was established under the Epping Forest and Open Spaces Act 1878. The fund finances the purchase, construction, or repair of Forest buildings and can also be used to purchase further charitable land. The fund is comprised of income from the sale of buildings and by any contribution the City of London Corporation may wish to make to the fund. Property receipts of £99,000 (2022/23: £427,652) were received in 2023/24 relating to a deed of grant easement for Monkams Cottage, Aimes Green. Expenditure for 2023/24 amounted to £63,817 (2022/23: £50,973) relating to the Baldwins & Birch Hall Park Ponds project.
- iv. *Golf course machinery fund* – the purpose of this fund is to provide for the future replacement of plant and equipment at Chingford Golf Course. At 31 March 2024, the fund balance relating to the Golf course machinery fund amounted to £12,717 (2022/23: £12,717).
- v. *Knighton Wood maintenance* - a gift was made in 1930 to be spent on maintaining the beauty of Knighton Wood. The unused balance of the fund was invested in 1931 for future use. Charity Pool units relating to E.N. Buxton Knighton Wood were sold in 2016/17. It is anticipated that the balance of £5,801 will be spent in 2024/25.
- vi. *Future green infrastructure fund* - The Green Arc Partnership takes a strategic view of future 'green' infrastructure, principally the provision of further public open space in London's peri-urban fringe and metropolitan green belt. The City of London as the

lead authority holds the funding and meets expenditure when required. Expenditure amounted to £1,140 in 2023/24 (2022/23: £951).

- vii. *Cattle purchase fund* - The purpose of this fund is to provide for the future purchase of cattle. Surplus net income of £15,805 from sale of livestock and produce was transferred into the fund as at 31 March 2024 (2022/23: £45,023) to fund future herd expansion at Epping Forest
- viii. *Wanstead Park/Flats future projects fund* - the City of London Corporation received a payment of £195,000 as a fee-in-lieu-of-rent in compensation for the temporary use of part of Wanstead Flats for 90 days spanning the 2012 Olympic and Paralympic Games. No expenditure was incurred during the accounting period. The balance of £100,000 will be used for future projects at Wanstead Park and Wanstead Flats.
- ix. *Ancient Trees Maintenance* – a designated fund was established in 2022/23 for the purpose of funding the maintenance of ancient trees at Epping Forest. A £15k contribution was received from the Lord Mayor during 2022/23 to support this purpose.

## 17. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 7.

The charity is consolidated within the accounts of City's Estate, a fund of the City of London Corporation (the City Corporation, the corporate trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Estate, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Estate is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Estate can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>6,572,696</b>	4,878,582	The City of London Corporation's City's Estate meets the deficit on running expenses of the charity
		<b>(nil)</b>	(nil)	
		<b>1,882,453</b>	1,463,823	Administrative services provided for the charity
		<b>(nil)</b>	(nil)	
		<b>36,378</b>	11,212	Distribution from the Charities Pool
		<b>(nil)</b>	(nil)	



## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Epping Forest

Registered charity number: 232990

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE – The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Katie Stewart – Executive Director of Environment

Emily Brennan – Director of Natural Environment

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O.Box 1000, BX1 1LT

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents & of the Annual Report of City's Estate:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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# City's Estate Group

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## Draft Report to the Audit and Risk Committee

### Year ended 31 March 2024

Presented to the Audit and Risk Committee on 4 November 2024

**Strictly Private and Confidential**

The Audit and Risk Committee  
The City of London  
PO Box 270  
Guildhall  
London  
EC2P 2EJ  
30 October 2024

Dear Members of the Audit and Risk Committee

I have pleasure in submitting our draft audit findings report for the year ended 31 March 2024. The primary purpose of this report is to communicate to the Audit and Risk Committee Members (in the context of the Group), Directors (in the context of the Power Stations) and Trustees (in the context of the Natural Environment entities) the significant findings arising from our audit that we believe are relevant to those charged with governance.

I look forward to discussing our report with you, as well as any further matters you may wish to raise with us, and I shall be attending the Audit and Risk Committee meeting.

I would like to take this opportunity to express our appreciation for the assistance provided to us by the finance team and the other staff at the charity during this year's audit.

Yours sincerely

Tina Allison  
Partner

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# 1. Executive summary

## Our report to you

We are pleased to present our Draft Audit Findings Report to the members of the Audit and Risk Committee and we welcome the opportunity to discuss our findings with you at your meeting on 4 November 2024.

The primary purpose of this report is to communicate to the Audit and Risk Committee the significant findings arising from our audit that we believe are relevant to those charged with governance.

In accordance with International Standards on Auditing (UK) the matters in this report include

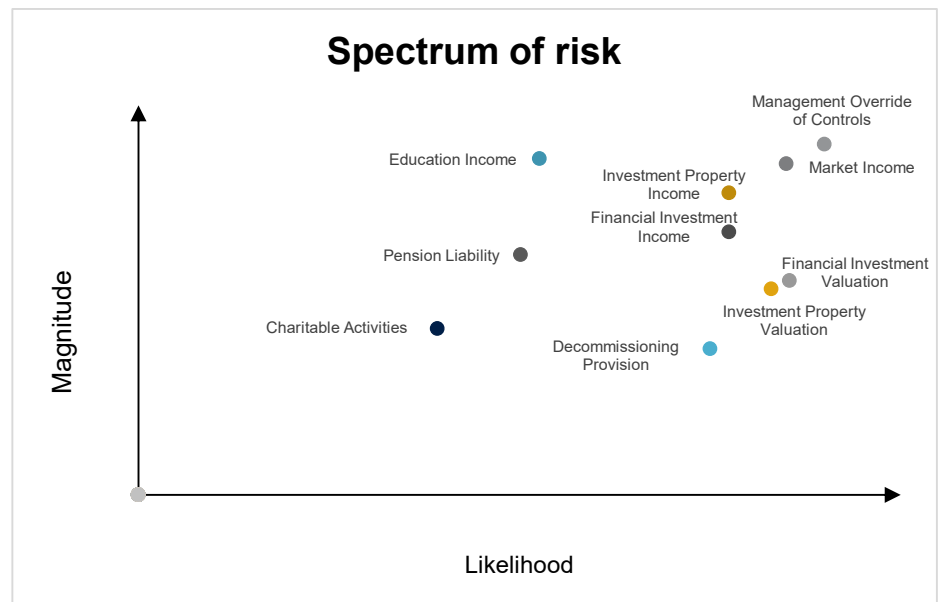
- the results of our work on areas of significant audit risk
- our views about significant qualitative aspects of the group’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- significant difficulties, if any, encountered during the audit
- any significant matters arising during the audit and written representations we are requesting
- unadjusted misstatement identified during the audit
- circumstances that affect the form and content of our auditor’s report, if any
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention.

## Conclusions in relation to the areas of significant audit risk

As explained in our Audit Planning Report, in line with ISA 315 (Revised), we have considered the inherent risks, including the likelihood and magnitude of a potential misstatement, as shown in the chart below.



Our risk assessment process is tailored to each individual entity, and as such, the risks outlined below do not apply to all entities covered within this report. As such, we have included in the list below an indication as to which entities each risk applies to.

As per the planning report, Tina Allison is the group audit partner and is the signing partner for the audit opinions for the Group and the Power Stations. Vincent Marke (who is also a partner in Crowe UK’s Non-Profit and Social Purpose audit team) is the audit partner for the Natural Environment and sundry trust entities.

In line with our audit plan we focussed our work on the significant audit risks identified.

The results of our audit work in these areas is set out below:

Significant risk	Control deficiency identified	Adjustment(s) identified	Other reported matters
Revenue Recognition – Investment Property income (A)	O/S	O/S	O/S
Revenue Recognition – Financial investments income (A)	x	x	x
Revenue Recognition – Education income (A)	x	x	x
Revenue Recognition – Market income (A)	x	✓	x
Revenue Recognition – Charitable Activities income (B,D)	O/S	O/S	O/S
Revenue Recognition – Voluntary income	O/S	O/S	O/S
Financial Investment valuation (A,B,D)	x	✓	x
Estimates & Judgements – Investment Property valuation (A)	x	O/S	O/S
Estimates and Judgements – Pension Liability (A)	x	x	x
Estimates and Judgements – Decommissioning Provision (A)	x	x	x
Related Parties	x	O/S	O/S
Consolidation (A,B,C,D)	✓	x	x

Management override of controls	O/S	O/S	O/S
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**Key:**

- A. City's Estate
- B. Natural Environment charities (previously known as open spaces)
- C. Power station companies
- D. Other charities within the Corporation subject to audit

### Other audit findings

[Section 3](#) sets out various comments on other important matters which we have identified from our audit.

### Fraud and irregularities

[Section 4](#) sets out the Trustees and our responsibilities in respect of fraud and irregularities.

### Audit materiality

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity / funds held by City's Estate and was set at 2% of investments (overall) and 1.5% income (specific), as appropriate for the financial statements area concerned. We have used our overall materiality just for our testing on investments and goodwill. Specific materiality has been applied to all other areas of testing.

We have reviewed this level of materiality based on the draft financial statements for the year ended 31 March 2024 and are satisfied that it continues to be appropriate being:

2% of Investments (overall) - £57,286k

1.5% of Income (specific materiality) - £3,137k

We set separate audit materiality levels for each of the group's subsidiary entities. Details of these separate materiality levels are set out in [Appendix 4](#).

### Unadjusted misstatements

We report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be 5% of our audit materiality.

We have listed in [Appendix 1](#) the misstatements we have identified which management have agreed will be adjusted in the final accounts.

Subject to the final amendments, where we are awaiting updated draft financial statements to check the amendments in [Appendix 1](#) through, at the time of writing there are no further remaining unadjusted items identified from our audit in excess of the above trivial limit. This may change depending on the conclusion of outstanding audit work as noted below.

### **Audit completion and our Audit Reports**

We have substantially completed our audits in accordance with our Audit Planning Report which was sent to you and the senior management team on 28 June 2024, subject to the matters below:

#### Significant risk areas:

- Completion of journals sample review
- Completion of investment property income testing
- Completion of education income follow up queries
- Completion of related party disclosure testing and receipt of outstanding RP declarations
- Receipt of outstanding audit support and completion of audit testing on Natural Environment entities.

#### Other areas:

- Completion of going concern review upon receipt of management assessment.
- Completion of debtors & creditor sample follow up queries
- Completion of expenditure sample testing (including repairs & maintenance, grants and major project expenditure
- Completion of final payroll follow up queries on sample and bandings note.
- Completion of expenditure sample follow up queries on Barking Power and Thames Power Services.

- Finalisation of central work
- Finalisation of IT controls review

#### External:

- Receipt of external bank confirmations (1 Bank - 2 accounts)
- Receipt of outstanding financial investment confirmation (IFM)
- Receipt of Cluttons investment property sample review reports

#### Standard points reviewed up to point of signing:

- Completion of the going concern and post-Balance Sheet events reviews.
- Review of the final financial statements.
- Receipt of the signed letter of representation ([Appendix 5](#)).

We will report to you in a final report in respect of any modifications to the findings or opinions contained in this report that arise from progressing these outstanding matters.

On the satisfactory completion of these matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the 2024 financial statements.

### **Responsibilities and ethical standards**

We have prepared this report taking account of the responsibilities of the Trustees, Directors and ourselves set out in [Appendix 6](#) of this report.

The matters included in this report have been discussed with the charity's management during our audit and at our closing meeting on 25 October 2024. Sonia Virdee, Daniel Peattie and Iain Jenkins have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.



## 2. Significant audit risks

As reported in our Audit Planning Report, ISA 315 (Revised) was applicable this year, and required us to consider a spectrum of inherent risk, considering both the likelihood and magnitude of a possible misstatement, with risks close to the upper end of the spectrum of inherent risk considered to be ‘significant risks’.

Risk is considered in the context of how, and the degree to which, inherent and control risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors.

In addition, the auditing standards also set out a number of areas considered to always be a significant risk. Our audit response in respect of risks not identified as significant is set out in [Section 3](#).

We have commented below on the results of our work in these areas as well as on any additional significant risks, judgements or other matters in relation to the financial statements of City’s Estate identified during our audit.

### 2.1 Revenue Recognition – Investment Property income (A)

#### **Key related judgements**

Investment property income is one of the largest revenue streams for City’s Estate, totalling £75.3m in 2024 (2023: £60.8m).

Investment property income is comprising mostly of routinely invoiced income, there have been rent-free periods offered in the year and rent holidays requiring more complex accounting. In addition, the quarterly invoicing pattern usually followed leads to the need to partially defer invoiced income at yearend.

This revenue stream also includes revenue released from deferred lease premiums attached to long term leases where City’s Estate is the lessor.

Given the relative size of this revenue stream and complexities arising over cut-off and lease accounting, we consider there to be a significant risk over this revenue stream.

#### **Crowe response**

Our work on investment property income included the following:

- Reviewing the income recognition policy to ensure it is aligned with FRS 102 and is being appropriately applied and disclosed.
- Document and review the systems and controls in place over investment property income.

- This is a key area of control to ensure that you are recognising all income that is due and closely manage and monitor the debtor ledger.
- We carried our analytical procedures and substantive testing on all income streams including reconciliations to the relevant systems and other records.
- Reviewed a sample of transactions and bank receipts either side of the year end date to ensure these have been recognised in the appropriate period.
- Obtained a breakdown of investment property income for the year and reconcile to the trial balance.
- Verified a sample of property receipts to supporting tenancy agreements and invoices.
- Reviewed the year-end deferred income balances, testing a sample to support and re-calculating the split of any invoices as appropriate.
- Reviewing the long-term lease premium accounting treatments to ensure they have been accounted for in accordance with the relevant accounting standards, and that they are being released correctly.

#### **Our conclusions and other comments**

*As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on investment property income.*

*No issues have been identified to date, though, final quality review checks are required once remaining deliverables have been received and processed.*

## 2.2 Revenue Recognition – Financial investment income (A)

### Key related judgements

Investment income in City's Estate and the City of London Charities Pool is derived from the various investment holdings including listed investments, private equity, multi-asset and infrastructure fund holdings and bank deposits. City's Estate co- invests with the City of London Pension Fund and City Bridge Fund into a number of private equity holdings, with a portion of the value and investment income then apportioned to each entity from this central pool.

The Charities Pool entity acts as a pooled investment vehicle for the smaller charities within the City of London, responsible for managing their collective portfolios and dividing any income received in proportion to the units the other charities hold in the entity.

In addition, Hampstead Heath Trust holds a standalone portfolio along with Sir William Coxen Trust Fund which both also generate income through interest and dividends.

The primary risk for this revenue stream is over the accuracy of the central split of

- (i) private equity allocated to City's Estate, and
- (ii) income for the entities invested in the Charities Pool,

As well as the completeness of the investment income reported for the year in each entity, where it might be necessary to accrue for income not yet received.

### Crowe response

Our work on financial investment income included the following:

- Agreeing the income reported in the investment managers' reports and bank interest to the nominal ledger and third party sources and reviewing cut off to check that the income has been appropriately recognised.
- Reviewing the relevant AAF01/06 controls reports for the investment managers and custodians to gain assurance that income is being reported accurately to the Corporation and Charity.

- Reviewing the allocation of private equity investment income to City's Estate, ensuring it is in line with the proportion of the investment holdings allocated to each entity.
- Reviewing the split of investment income to the charities holding units in the Charities Pool, to ensure it has been calculated correctly and income for the full year has been allocated.

### Our conclusions and other comments

*Our testing of financial investment income did not highlight any material issues in relation to the recognition of this income stream, however, is subject to clearance of an engagement quality control review point in this area.*

## 2.3 Revenue Recognition – Education income (A)

### Key related judgements

Income through tuition and other related fees is one of the primary revenue streams in City's Estate, amounting to £103.6m in 2024 (2023: £96.7m). This income stream is generated from the four schools and one higher education body that the entity operates; City of London School, City of London Junior School, City of London School for Girls, City of London Freeman's School and Guildhall School of Music and Drama.

The recognition of school fees is considered highly predictable due certainty surrounding pupil numbers and termly fees which allow us to create a meaningful expectation of income from sources outside finance. As such this area is not considered a significant risk.

However, for wider educational income (including extras, trips, registrations etc) we consider the primary risks to lie over the completeness, existence and cut-off of this income to be a significant risk.

### Crowe response

Our work on education income included the following:

- Gaining an understanding of the systems and controls in place around education income, including controls over pupil management and invoicing at each school.
- Completing a proof-in-total over education fee income at each school using pupil data and fixed tuition fees lists for each school.

- Completing testing on the underlying inputs into this proof in total, including any discounts offered in the year.
- Reviewed a sample of tuition and other education fee income, agreeing it to support and receipt to the bank.
- Performed cut-off testing around the year end to ensure income has been recognised in the correct years and income has been deferred appropriately.

#### **Our conclusions and other comments**

*As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on education income.*

*No issues were identified in relation to education income, however, is subject to clearance of an engagement quality control review point in this area.*

## **2.4 Revenue Recognition – Market income (A)**

### **Key related judgements**

Market income consists of rental and similar income from the markets that City's Estate operates, being Billingsgate and Smithfield. Whilst comprising primarily of routinely invoiced income, the Covid-19 pandemic led to the introduction of rent-free periods and rent holidays requiring more complex accounting. In addition, the quarterly invoicing pattern usually followed leads to the need to partially defer invoiced income at year-end.

This revenue stream also includes revenue from related non-rental sources such as service charge and car parking income.

Given the relative size of this revenue stream and complexities surrounding rent-free periods and rent holidays we consider there to be a significant risk over this revenue stream, primarily over cut-off and completeness.

### **Crowe response**

Our work on market income included the following:

- Reviewed a sample of transactions and bank receipts either side of the year end date to ensure these have been recognised in the appropriate period;
- Obtained a breakdown of market income for the year and reconcile to the trial balance;

- Verified a sample of market income receipts to supporting agreements and invoices; and
- Reviewed the year-end deferred income balances, testing a sample to support and re-calculating the split of any invoices as appropriate.

### **Our conclusions and other comments**

During our reconciliation of market income back to the accounts, we identified £796k of recharges which were incorrectly excluded from elimination journals as part of the consolidated accounts workings. We have included this as an error in [Appendix 1](#).

No further issues were identified in relation to market income, however, is subject to clearance of an engagement quality control review point in this area.

## **2.5 Revenue Recognition – Charitable Activities Income (B,D)**

### **Key related judgements**

In addition to the funding received from City's Estate, the various charities within the City's Estate group generate revenue through a variety of activities. This includes revenue generated from sources such as car parking, café sales, use of sports grounds and admission fees.

Due to the varying nature of these revenue streams each requiring different recognition criteria to be considered, we consider there to be a significant risk for this revenue stream.

### **Crowe response**

Our work on charitable activity income included the following:

- Obtaining an understanding of systems and controls over all material revenue streams within this category;
- Reviewing the revenue recognition policy for each material revenue stream to ensure it is compliant with the applicable accounting standards;
- Testing a sample of charitable activity income substantively, agreeing it to supporting documentation and receipt to bank; and
- Performing cut-off testing by reviewing transactions around yearend.

- Confirming the recognition City's Estate grants to Open Spaces entities.

### ***Our conclusions and other comments***

Work in this area is primarily focused on our audits of the Natural Environment entities. A substantial volume of audit deliverables are yet to be received and we are working with your team to progress work in this area as a priority. We have agreed a revised timetable with management of delivery of remaining items.

*At the time of writing this report, we are still finalising our work in this area.*

Following the completion of this we will provide an update to the conclusions of this work and communicate any controls findings we have identified.

## **2.6 Revenue Recognition – Voluntary income**

### ***Key related judgements***

Included within the Natural Environment entities and the City of London Girls Bursary Fund is voluntary income. Due to the varying nature of these revenue streams, each requiring different recognition criteria, we consider there to be a significant risk over this revenue stream, primarily over cut-off and completeness.

### ***Crowe response***

Our work on voluntary income included the following:

- Obtain an understanding of systems and controls over all material revenue streams within this category.
- Review the revenue recognition policy for each material revenue stream to ensure it is compliant with the applicable accounting standards.
- Test a sample of voluntary income substantively from nominal and agreeing it to supporting documentation and receipt to bank.
- Test a sample of voluntary income from source documentation to nominal and receipt into the bank.
- Perform cut-off testing by reviewing transactions around year end.

### ***Our conclusions and other comments***

Work in this area is primarily focused on our audits of the Natural Environment entities. A substantial volume of audit deliverables are yet to be received and we are working with your team to progress work in this area as a priority. We have agreed a revised timetable with management of delivery of remaining items.

*At the time of writing this report, we are still finalising our work in this area.*

Following the completion of this we will provide an update to the conclusions of this work and communicate any controls findings we have identified.

## **2.7 Financial Investment Valuation (A,B,D)**

### ***Key related judgements***

The financial investments portfolio within City's Estate was £988.5m as at 31 March 2024 (2023: £1,037.9m). The key risks in this area are considered to be the existence and valuation of assets.

As the investments are held and managed by third party service providers it is important that:

- the Entity has sufficient controls in place to mitigate the risks associated with outsourcing services; and
- the controls in operation by the third-party service provider over the ownership and management of the Entity's assets are sufficient; and their associated income streams are sufficiently robust.

Our focus will be on your own internal procedures to manage and control the investments as well as the controls being operated by both the investment managers and the custodian, including consideration of the relevant internal controls reports. We will obtain valuations directly from the investment managers.

We will review the reconciliations between the reports from the investment managers and the custodian's report and the records independently maintained to confirm ownership and to identify potential anomalies or significant movements in the year (particularly in relation to purchases and disposals).

### ***Crowe response***

Our work on financial investment valuation included the following:

- Selecting a sample of individual funds within the portfolio and obtaining direct confirmation from the investment manager to confirm the valuation used by management within the financial statements;
- For each fund identified in our sample we reconciled the valuation to records to confirm ownership and existence;
- For listed investments we agreed a sample of prices quoted by individual investment managers to publicly available market information to ensure valuations are reasonable;
- For unlisted investments including unquoted hedge funds and private equity we obtained the latest available audited financial statements from each fund manager and confirm that an unmodified audit opinion has been issued and the valuation of assets had been prepared on a basis consistent with your accounting policy and FRS102;
- Agreement of a sample of investment movements reported during the year to supporting investment manager records to ensure these are accurately reported;
- Performed a check of the accuracy and completeness of investment disclosures within the financial statements to ensure these are appropriately stated and consistent with the requirements of FRS102 and the Charities SORP.

### ***Our conclusions and other comments***

As part of our testing, we have obtained direct confirmation from the respective investment managers for both listed and unlisted investments. We are currently awaiting the final investment manager report. We are liaising with this party to obtain this.

For our testing on listed investments, we have corroborated the values of the investments held by City's Estate to third party sources. We have not found any issues as part of this work.

On unlisted investments, we have undertaken additional work on these investments to assess whether there are any indicators of a required impairment, including assessments of the fund performance and reviews of post year-end information.

Where they have been prepared and have been available, we have also reviewed the internal controls reports, for the investment managers and custodians.

### **Impairment of investment in Barking Power Station**

City Estate carries its investment in Barking Power Station at £90m which represents its net asset value at the date of acquisition.

The current net asset value of the Power Station is approximately £60m which suggests a substantial impairment in this investment.

Though the balance is eliminated on consolidation and has no impact in net assets, we recommend that you update your internal records to ensure the investment is recorded at an appropriate value.

### **Unlisted investment commitments**

The draft financial statements state that there are no outstanding commitments on unlisted/private equity assets at year end. Our testing identified approximately £3m our outstanding commitments still due to fund managers in the years ahead. FRS102 requires commitments of this nature to be disclosed in the financial statements and though not material we have recommended that this disclosure is updated.

## **2.8 Estimates & Judgements – Investment property Valuation (A)**

### ***Key related judgements***

Investment properties held by City's Estate totalled £1,876m as at 31 March 2024 (2023: £1,918m). As in previous years, these properties are valued independently by two firms registered as valuers with the Royal Institution of Chartered Surveyors ("RICS") as at 31 March each year.

Investment properties are carried in the financial statements at fair value. FRS102 requires revaluation to be made with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at the reporting date.

### ***Crowe response***

Our work on investment property valuation included the following:

- We reviewed the investment property valuation report with consideration to judgements and estimates used by the valuer with



reference to market data. We have also tested the inputs provided to the valuer by the entity and the ownership status via land registry.

- We also considered management's assessment of indicators which might identify a reduction of fair value within the portfolio and review wider information to consider if there are other indicators which may impact valuation of properties at year end. We understand there is scope for properties within the portfolio to be affected by the ongoing nationwide issues with reinforced autoclaved aerated concrete (RAAC) which may be an indicator of impairment. We have obtained an update on this issue and consider findings in our overall conclusions on valuation.
- We obtained additional assurance over property valuations from an independent external property expert (Cluttons) who reviewed a sample of properties to confirm if the valuation provided by surveyors is reasonable.
- We also reviewed the valuation adjustment and ensure any gains/losses on revaluation have been appropriately recognised in the Statement of Comprehensive Income.

### **Our conclusions and other comments**

As with the prior year, we have engaged Cluttons as an auditor's expert to complete a review of the City's Estate valuation report prepared by JLL, consisting of a high-level review of the full report and a more detailed review of five selected properties. This has also included challenging the methodology and inputs used by JLL to determine their reasonableness.

The valuations prepared by JLL have been noted as being relatively aggressive; whilst the properties reviewed all fall into the expectations set by Cluttons, two of the five properties reviewed sit at the upper boundary. We have concluded with the aid of this review that the approach adopted by JLL is reasonable however, with satisfactory explanations obtained where a property's value has not moved in line with wider market trends.

Cluttons have also completed a review of the valuation report for the former Barking power station site, prepared by Gerald Eve. Again we note that the valuation of £114.4m is at the top end of the range expected (£100m - £114.4m) however we are satisfied that the approach by GE is reasonable and the value falls within expectations.

Whilst we note that the site's development is still in its early stages and the approval process for the new market is ongoing, we would not expect any issues or delays with this to fundamentally change the value of the property as it is valued on the basis of being developed for City's Estate proposed use.

*At the time of writing, the review process for this area is currently ongoing. We will report any additional findings to you should these be identified as we finalise our testing.*

## **2.9 Estimates and Judgements – Pension Liability (A)**

### **Key related judgements**

The assumptions surrounding the FRS102 pension liability calculations performed by the actuaries can make a significant difference to the result disclosed in the financial statements.

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Estate and Bridge House Estates).

At present, City's Estate includes the pension scheme liability in the accounts as reported under IAS19, with a conversion not made to FRS102 on the grounds of the difference not being material. There is a risk that this difference may in fact be material or otherwise significant.

Estimates and judgements that are not considered to be significant risks are set out in Section 3.

### **Crowe response**

Our work on pension scheme liability included the following:

- Benchmarking the assumptions used by the actuary in calculating the FRS102 pension liability.
- Assessing the difference in calculating the liability between IAS19 and FRS102 to determine whether it is material or otherwise significant.
- Verifying scheme assets to third party documentation; and
- Verifying (on a sample basis) the input data provided to the actuary to HR and payroll records.

- Verify the apportionment methodology of the pension liability across the 3 City of London funds.

**Our conclusions and other comments**

In comparing the assumptions from the actuarial report from Barnett Waddingham to those used by other actuaries for other clients, it was noted that all the assumptions were within the range of the other clients.

The assumptions used by the City Estate actuaries when compared to our benchmark data is set out in the below table.

Actuarial Assumptions	City Estate	Crowe clients			In range?
		Average	Min	Max	
Discount (%)	4.90	4.88	4.95	4.75	✓
RPI (%)	3.20	3.19	3.30	3.10	✓
CPI (%)	2.90	2.73	2.93	2.30	✓
Salary growth (%)	3.90	3.60	4.20	2.60	✓
Retiring today - Males	20.80	21.12	22.20	20.40	✓
Retiring in 20 years time - Males	22.00	22.35	23.60	20.70	✓
Retiring today - Females	23.30	23.68	24.50	23.00	✓
Retiring in 20 years time - Females	24.70	24.89	26.20	22.50	✓

The assumptions surrounding the pension liability calculations can have a significant impact on the financial statements and it is therefore important that the members consider the appropriateness of the assumptions used and the sensitivity to these assumptions.

City Estate discloses the defined benefit scheme in accordance with IAS 19 in line with City Fund requirements rather than FRS102 and states that the difference is immaterial. We have compared the disclosure under FRS102 to the disclosure reported under IAS19 and confirmed that these are not materially different and the differences are below our reporting threshold.

*No issues arose from our work in this area complete to date however, the work is subject to clearance of an engagement quality control review point of this area.*

**2.10 Estimates and Judgements – Decommissioning Provision (A)**

**Key related judgements**

Included within the accounts of Barking Power Limited is a provision for the decommissioning of the site in preparation for future development. This provision has a number of key assumptions regarding expected costs and the time period over which they will be incurred.

Given the size of the provision and its reliance on judgemental inputs, we consider there to be a significant risk over the valuation of the provision.

**Crowe response**

Our work on the decommissioning provision included the following:

- Obtained and reviewed management’s estimation of the provision;
- Gain an understanding of the key inputs to the provision calculation, agreeing them to supporting documentation as appropriate; and
- Review costs incurred post year-end to ensure that they are in line with management’s forecast to corroborate the accuracy of the provision made.
- Challenge management assumptions / basis of estimation for reasonableness.

**Our conclusions and other comments**

During FY23/24 the majority of the capital works were complete and this is reflected by the reduction in the decommissioning provision of £22.9m in the year leaving a remaining balance at year end of £3.6m.

From our discussions with management we understand that there are underspends after the year end and that the subsequent costs after year end are lower than anticipated. In 2024/25 there have been additional capital costs of £1.2m, deeds of release compensation costs of £685k yet to be incurred, and retentions totalling £530k on the water tunnels and gas pipe works therefore the costs to completion from 31/03/2024 are expected to be approximately £2.5m.

This suggests an over-provision of costs at year end, though management note there is some uncertainty over the magnitude of final costs and would prefer to retain the provision.

We have requested further evidence to support this assertion and this is noted as an outstanding point in Section 1.

## 2.11 Related Parties

### **Key related judgements**

In line with the ISAs which directs our audit work (ISA (UK) 550) we are obliged to ensure that any related parties are identified and that any transactions involving these parties and the group are appropriately authorised and correctly disclosed in the financial statements.

We consider completeness of related party disclosures to be a significant area of risk as transactions of this nature are always material by nature, coupled with the large volume of potential individuals which may be captured by the disclosure requirements. We understand that management have updated the process in the period to ensure the timely collection of information required to populate this disclosure.

### **Crowe response**

We have reviewed City's Estate procedures for identifying potential related parties, ensuring all transactions are complete, including any annual declaration of interests completed by the Board and Senior Management team.

### **Our conclusions and other comments**

As noted in Section 1 of this report, at the time of writing there are 8 outstanding declarations of interest. We do note however that the number of outstanding declarations at this point has fallen considerably compared to prior years due to increased efforts to ensure their return.

*Our work in this area remains ongoing whilst declarations continue to be received.*

## 2.12 Consolidation

### **Key related judgements**

In 2023 we highlighted a significant deficiency surrounding the preparation of the consolidated group accounts which management were not initially able to balance. Significant resource was incurred by the City team and Crowe to resolve this matter and we concluded with several recommendations to management to prevent re-occurrence in 2024.

We understand that management have introduced additional resource within the Finance team during the year, alongside additional checks and balances to ensure that the consolidation properly balances prior to audit.

We understand that schedules used to prepare the consolidation have been updated based on the challenges encountered in the prior year audit. However, given the high level of adjustments and challenges encountered in the prior year audit, this was identified as a significant risk.

### **Crowe response**

Our work on consolidation included the following:

- Agreeing the inputs for the consolidated entities to the individual audited financial statements.
- Reviewing all manual adjustments made to the balance sheet and SOCI as part of consolidation.
- Review intercompany balances and transactions identified in the course of audit testing to agree appropriately eliminated.
- Review adjustments in the prior year to build expectation and identify any potentially omitted adjustments.
- Documenting our understanding of the consolidation process to agree this is in line with expectations.

### **Our conclusions and other comments**

In 2023 management spent significant time resolving an imbalance in the consolidation model which underpins the numbers included in the group financial statements. We identified several necessary adjustments to ensure that the final model was appropriately prepared.

We are pleased to report that no such issues arose in 2024 and the additional checks introduced by management to review the accuracy of the consolidation model have been successful subject to some minor adjustments and recommendations noted below:

### **Intercompany matrix**

As part of our testing on the consolidation process it was noted that an intercompany matrix is not prepared or maintained which would summarise the intercompany balances and transactions to be eliminated on



consolidation. We have raised a systems and controls recommendation in respect of this in [Appendix 2](#).

### Consolidation adjustment

Other than the adjustment noted in [Appendix 1](#) with regards to Market income (See Section 2.4 above), and the point noted above regarding the preparation of an intercompany matrix no further issues were noted from our testing on consolidation however, the work is subject to clearance of any engagement quality control review point in this area.

### 2.13 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

#### *Significant accounting estimates and judgements*

ISA (UK) 540 (Revised) Auditing Accounting Estimates and Related Disclosures requires additional audit focus over management's estimates, including undertaking separate risk assessments for both inherent and control risks. In respect of the former, consideration is given to the estimation uncertainty, the subjectivity and the complexity of the estimate. We are also required to consider whether the disclosures made in the financial statements are reasonable.

Management have made several necessary significant accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- Financial Investment Valuation [significant risk] (*Section 2.7*)
- Investment Property Valuation (including considerations of a potential contingent liability due to RAAC) [significant risk] (*Section 2.8*)
- Pension Liability [significant risk] (*Section 2.9*)
- Decommissioning Provision [significant risk] (*Section 2.10*)
- Assessment of impairment of assets. (*Section 3.2*)
- Assessment of impairment of goodwill (City's Estate) (*Section 3.2*)
- Assessment of the remaining useful life of assets. (*Section 3.2*)

- The classification of accounts between short term investments and cash and cash equivalents. (*Section 3.2*)
- The split of recharged expenditure between the various entities of the City of London Corporation. (*Section 3.2*)

Estimates and judgements that are not considered to be significant risks are set out in [Section 3](#).

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

#### *Controls around journal entries and the financial reporting process*

We reviewed and carried out sample testing on the charity's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We note that only Chamberlain (finance) staff, whether they work in the corporate team or one of the units, are able to post journals and whilst journals under £100k are not subject to management review or spot checks, they should be accompanied by relevant supporting documentation. All journals over £100k are reviewed in the form of managers' reviewing regular reports detailing these journals and approving them on the Oracle system.

Whilst this threshold management deem satisfactory for City's Estate due to the level of materiality, this threshold for reviewing journals for the Natural Environment entities is not sufficient due to their lower level of materiality. We have included an update on the prior year recommendation in [Appendix 2](#) to lower the threshold of journal review for the Natural Environment entities and include independent spot checks for journals under the £100k threshold for City's Estate as a two-tiered approach to journal reviews.

*Our work in this area remains ongoing whilst support for the final sample of 2 journals is to be received and finalisation of follow up questions.*

#### *Significant transactions outside the normal course of business*

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the business.

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No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

### 3. Other audit findings

In addition to matters relating to the significant audit risks as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

#### 3.1 Going concern

We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102 the members and management are required to assess the charity's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Members and management are required to consider all available information about the future of the Corporation in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The Member' going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

Where the Members identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed in the financial statements.

The Members may consider and take account of realistic mitigating responses open to them, considering the likely success of any response.

We have discussed this with the management and explained that our work on going concern includes the following:

- reviewing the period used by Members to assess the ability of City's Estate Group, Power Stations and Natural Environment entities to continue as a going concern,
- examining budgets and forecasts prepared by management covering the period of the going concern assessment to ensure that these appropriately support the Board's conclusion,
- reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year, and

- reviewing any other information or documentation which the Members have used in their going concern assessment.

#### ***Our conclusions and other comments***

As at 31 March 2024 City's Estate Group is reporting total reserves of £2,773m (2023: £2,827m). City's Estate Group 's operating result for the year is a deficit of £94m (2023: £335m deficit).

The cash balance at year end is £16m (2023: £29m) and financial investments amounted to £989m (2023: £1.038m) and investment properties of £1,876m (2023: £1,918m).

The accounts state that City's Estate is a going concern on the basis that it annually receives considerable income from its property and non-property investments which is considered in the context of a rolling medium-term financial forecast.

For Barking Power Ltd it is noted that the accounts continue to be prepared on non-going concern basis. It has been agreed with management that a letter of support from City Estate is required to confirm that it intends to provide funding for the power station to finance its remaining commitments and will not recall intercompany loans / balances prior to the decommissioning being complete.

Other than the Barking Power letter of support, our work on going concern has not noted anything that would bring the going concern assumption into question however as noted in [Section 1](#) we will continue reviewing going concern up to the date of signing.

We will be seeking representations that Members have considered the forecasts and are satisfied that the going concern basis is appropriate.

## 3.2 Estimates and judgements

As noted in [Section 2](#), management have made a number of necessary significant accounting estimates and judgements which impact the financial statements.

We identified the following non-significant estimates and judgements for specific audit review:

- Assessment of impairment of assets.
- Assessment of impairment of goodwill (City's Estate)
- Assessment of the remaining useful life of assets.
- The classification of accounts between short term investments and cash and cash equivalents.
- The split of recharged expenditure between the various entities of the City of London Corporation.

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

### Assessment of impairment of assets

We have not identified any issues on the impairment of assets as part of our testing on this area and have nothing to note on this.

### Assessment of impairment of goodwill (City's Estate)

Total Goodwill is £19.5m in 2024 and is not considered material to the financial statements, therefore the risk of material overstatement of this balance is considered remote for the purpose of our audit.

### Assessment of the remaining useful life of assets

We have discussed tangible assets below in Section 3.8.

### The classification of accounts between short term investments and cash and cash equivalents

*We have not identified any issues to the above as part of our testing on this area and have nothing to note on this, however this is subject to clearance of an engagement quality control review point in this area.*

### The split of recharged expenditure between the various entities of the City of London Corporation

*We have not identified any issues to the above as part of our testing on this area and have nothing to note on this, however this is subject to clearance of an engagement quality control review point in this area.*

## 3.3 Income

International Standards on Auditing (ISA (UK) 240) presumes there is always a significant risk of material misstatement due to fraud in revenue recognition, unless this is rebutted.

Whilst we deem the income streams detailed in [Section 2](#) to be significant, we do not consider other income streams to be significant due to their expected immaterial nature.

Across all income streams the key risks remain the same:

- Completeness (has all income due been appropriately recognised in the period?).
- Cut off (has income been recognised in the appropriate period?).
- Fund allocation (have donor restrictions on the use of the income been appropriately captured in the financial statements?).
- Accuracy (where income is owed at year end, is it likely to be received or should it be provided against?).

We have substantively tested the completeness and cut off of the non-significant income streams.

### Suspense accounts

As part of our testing on creditors, it was identified that there is a suspense account (Cashiers suspense account) which is used to record unallocated receipts to the shared bank accounts. For one of our samples it was identified that a receipt to this account should have been recorded as income in Epping Forrest. The adjustment for this income is noted in [Appendix 1](#) and we have raised a system and control recommendation in [Appendix 2](#) that the cashiers suspense account is reviewed regularly and that it is cleared out at year end to ensure that all receipts have been correctly allocated / recognised.

We have not identified any issues to the above as part of our testing on this area and have nothing to note on this.

### 3.4 Payroll

Payroll is one of the largest single expenditure items for City's Estate totalling £110.2m in 2024 (2023: £101.1m). Other entities under the scope of this report also incur significant payroll costs, which are recharged from the central payroll function within the Corporation of London.

As payroll is processed centrally and allocated to the various organisations within the Corporation we have taken a holistic approach to the testing.

#### **Crowe response**

As part of our audit, we reviewed the controls in place over monthly processing including the reconciliation of the payroll to the nominal ledger.

We also performed analytical procedures that considered gross pay, deductions, and staff numbers year on year to ensure that all trends and relationships appeared reasonable and that the totals agreed with the ledger.

Additionally, we verified a sample of staff between the payroll and other HR records and agree their costs to supporting documentation on a sample basis.

#### **Our conclusions and other comments**

*As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on payroll sample and disclosure note.*

*No issues were identified in relation to payroll testing to date, however, this is subject to clearance of an engagement quality control review point in this area.*

### 3.5 Grant expenditure

A number of grants are made through the Central Grants Programme across a wide range of charitable causes in London. The programme has four funding themes;

- Stronger Communities
- Enjoying Green Spaces and Natural Environments
- Inspiring London through Culture
- Education and employment support

In addition to this, as part of the Corporation of London's response to the Covid-19 pandemic, City's Estate is funding a £50m business support scheme. This consist of multiple grants of c.£100k aimed to support businesses within the City of London. Total Grants expenditure in the year is £28.2m.

#### **Crowe response**

As part of our testing, we agreed a sample of grants to supporting documentation and payment and reviewed the agreements to ensure they have been appropriately recognised. We also performed cut-off testing around year-end in order to ensure that grants have been recognised within the correct financial period.

#### **Our conclusions and other comments**

*As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on grant expenditure.*

### 3.6 Barking Power Limited

Barking Power Limited's primary objective is to decommission the power station on its site, as such no income has been generated in the year.

#### **Expenditure**

Expenditure in the year is made up of £15k (2023: £7.0m) of cost of sales and £0.4m (2023: £0.3m) of administrative expenses.

Our audit work on cost of sales agreed the expenditure recognised to the movement in the cost book of the decommissioning provision ([Section 2](#)).

As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on administrative expenditure sample.

#### **Bank reconciliations**

As part of our review of bank reconciliations it was identified that the bank reconciliation was reconciling the nominal ledger to the cash book movements however the cash book did not agree to the year end bank statements. Management have now updated the accounts for this adjustment, but we have raised a systems and controls recommendation in [Appendix 2](#) that the bank reconciliations are performed comparing the nominal ledger to the bank statements to ensure the bank balances are accurately reflected.

#### **Cut-Off review**

As part of our testing on year end cut off, we identified a transaction which was paid pre-year end that had not been accounted for. An adjustment for this transaction has been noted in [Appendix 1](#). No further issues were noted from our cut-off testing in this area.

#### **Deferred Taxation**

As a result of the revaluation a deferred tax liability has arisen, as at the 31 March 2024 this amounts to £19.8m (2023: £23.0m).

As part of our audit work, we reviewed the calculation and agreed taxation rates used to relevant guidance.

#### **Intercompany Balances**

At year end, BPL owe £29m (2023: £7m) to associated undertakings. BPL are not income generating and do not have sufficient cash to meet these liabilities, they will therefore need to drawdown on their loan facility with the City of London to meet these as they fall due.

As part of our audit work, we have agreed the balance due to TPSL to their accounts, and the amounts owed to City of London to supporting calculations.

We have no further issues to report in our work completed.

### **3.7 Thames Power Limited**

Thames Power Services Limited provide management services to BPL in connection with their operations.

#### **Income**

Income for the year ended 31 March 2024 is £225k (2023: £297k), this is primarily made up of fees due from BPL in relation to management charges for the services paid for by the City of London, plus an additional 5% charge added by TPSL.

As part of our audit work, we have agreed the income to the charges raised by City of London and recalculated the 5% uplift as per TPSL's service agreement.

Additionally, we reviewed the income accounts for the periods March 2024 and April 2024 to consider the risk of cut off, we noted there had been no activity in this time.

#### **Expenditure**

Cost of sales in the year amounted to £214k (2023: £185k), this is for charges by City of London for staff costs, utilities, legal support and consumables.

As part of our audit work, we agreed these costs to the annual invoice issued by City of London.

As noted in [Section 1](#), at the time of writing this report we are finalising the follow up queries on the expenditure sample.

#### **Audit Fee Accrual**

As part of our testing, we noted that the audit fee accrued for in the financial statements was different to the audit fee included in the Audit Planning Report issued for both BPL and TPSL. Although this was trivial for BPL, it was above our reporting threshold for TPSL (£11.7k) and has been included in [Appendix 1](#) below as an unadjusted error.

As above, we are currently reviewing the recognition of the audit fees for both BPL and TPSL and will provide an update on this at the Committee.

#### **Intercompany Balances**

As at 31 March 2024, TPSL have a debtor balance of £1,094k (2023: £869k) due from BPL and a creditor balance of £966k (2022: £752k) due to City of London. At the time of the audit, these balances remain outstanding.

TPSL do not have sufficient cash funds to settle the liability due to City of London, and will be unable to do this until BPL settle their debt. This has been discussed further above.

We have no further issues to report in our work completed.

### **3.8 Tangible assets**

City's Estate Group hold £338.5m (2023: £329.7m) of Tangible Assets, of this £245.2m (2023: £250.1m) relates to Freehold and £39.6m (2023: £36.5m) to Plant & Machinery.

#### **Crowe response**

As part of our audit work we included the following tests:

- Reconciled the fixed asset register to the trial balance and accounts.
- Recalculated the depreciation for all material classes of assets to ensure the correct amount had been included in the Statement of Comprehensive Income.

- Tested a sample of additions, disposals and assets under construction to ensure they had been added/removed from the fixed asset register.

#### **Our conclusions and other comments**

*We have no issues to report in our work completed. However, this is subject to the clearance of any Engagement Quality Control review point in this area.*

### **3.9 Report and Financial Statements**

As noted in the Responsibilities of the City of London Corporation statement, the Corporation are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

We would expect management to prepare monthly management accounts which include comparisons to budgets and year to date progress. As part of the audit process we noted that City's Estates Group, Power Stations and Natural environment entities do not prepare management accounts. We have provided an update on the prior year systems and controls recommendation in [Appendix 2](#).

We have reviewed the annual report and financial statements and provided comments to management who are in the process of addressing these and updating the Annual Report and financial statements as appropriate.



## 4. Fraud and irregularities and our audit reporting

### Audit reporting on detecting irregularities, including fraud

In line with ISA (UK) 700 our audit report includes an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our responsibility is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The additional reporting requirements this year placed increased emphasis on our understanding of the risks to City's Estate Group, Power Stations and Natural Environment entities from fraud and irregularities. Our audit included discussions with management and those charged with governance to obtain their assessment of the risk that fraud may cause a significant account balance to be materially misstated as well as other procedures to obtain sufficient appropriate audit evidence.

City's Estate Group, Natural Environment entities and Power Stations have systems in place for the review and authorisation of expenditure and journals by management, including dual authorisation and segregation of duties between those posting transactions and those approving payments up to £100k.

We obtained an understanding of the legal and regulatory frameworks within which the group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context for the Group were FRS 102, Companies Act and Charities SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, financial and property investment valuations, Consolidation and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing correspondence with Regulators, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

We have also included in [Appendix 8](#) some fraud risks that Trustees and management should be aware of.

### Members responsibilities

The primary responsibility for safeguarding the charity's assets and for the prevention and detection of both irregularities and fraud rests with the members and management of the organisation. It is important that management, with oversight of those charged with governance, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.



As in past years, the following statements will be included in the letter of representation which we require from the Members when the financial statements are approved.

- The Members acknowledge their responsibility for the design and implementation of internal control to prevent and detect fraud and errors.
- The Members have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The Members are not aware of any fraud or suspected fraud affecting the charity involving management, those charged with governance or

employees who have a significant role in internal control or who could have a material effect on the financial statements.

- The Members are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the charity's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2024 financial statements, or in the period since the previous year end.

## Appendix 1 - Reporting audit adjustments

### Adjusted misstatements

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

The following misstatements were identified during our audit work. Management have agreed that these will all be adjusted in the final accounts. Subject to the final amendments, where we are awaiting updated draft financial statements to check the amendments below through, at the time of writing there are no further remaining unadjusted items identified from our audit in excess of the above trivial limit. This may change depending on the conclusion of outstanding audit work as noted in Section 1 of this report.

We have summarised below the overall impact of these items identified to date on the financial statements.

Adjustment description	Increase / (decrease) in net income £k	Increase / (decrease) in assets £k	Increase / (decrease) in liabilities £k	Increase / (decrease) in funds £k
<b>1. City's Estate</b> Dr Creditors Cr Debtors <i>Prior year audit adjustment to reclassify credit balances within rental debtors which should have been reversed.</i>		(1,483)	(1,483)	
<b>2. City's Estate</b> Dr Debtors Cr Creditors <i>Being the overpayment of Vanquish Properties, sitting on within debtors as negative balance</i>		2,880	2,880	
<b>3. City's Estate</b> Dr Debtors Cr Creditors <i>Being reclassification of negative balances within trade creditors.</i>		660	660	
<b>4. City's Estate</b> Dr Debtors		720		

Cr Creditors <i>Being Freemans school fees in advance still classified as negative debtors</i>			720	
<b>5. City's Estate</b> Dr Creditors Cr Income <i>Being the correction of historic deposit and fees in advance balances at CLS (boys). Relates to brought forward unexplained amounts</i>	640		(640)	640
<b>6. City's Estate</b> Dr Market Income Cr Market Expenditure Cr Management & Admin expenditure <i>In the SOCI workings for markets income there are recharges amounts which have not been eliminated.</i>	(796) 747 49			
<b>7. Barking Power</b> Dr Debtors Cr Cash <i>Crown Estate invoice 30922908 which was paid 28/03/2024 however relates to Apr-24 – Jun-24 licences.</i>		5.6 (5.6)		
<b>8. Thames Power Services Limited</b> Dr Creditor Cr Expenditure <i>Audit amount overstated in expenditure listing.</i>	11.7		(11.7)	11.7
<b>9. Epping Forrest</b> Dr Creditors Cr Income <i>Amount received into Cashiers suspense account within City's Estate which relates to Epping Forrest.</i>	274		(274)	274
<b>Total impact</b>	<b>926</b>	<b>2,777</b>	<b>1,851</b>	<b>926</b>

## Appendix 2 - Systems and controls

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at City Estate was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken: We have also included below a brief update on the matters we raised last year.

High	These findings are significant and require urgent action.	(0 comments in this category)
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	(3 comments in this category)
Low	These findings merit attention within an agreed timescale.	(0 comments in this category)

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Audit finding and recommendation	Priority	Management response
<p><b>1. Cashier's suspense account</b></p> <p>As part of our testing on creditors, we reviewed the cashier's suspense account balance. Our understanding is that this account relates to unallocated receipts which are then subsequently reviewed and allocated. There is therefore a risk that balances in this account at year end either do not relate to City's Estate, or are not accounted for correctly.</p> <p>We recommend that the cashier's suspense account is reviewed regularly and that as part of the year end accounts preparation this account is reviewed and cleared out to ensure that all receipts are allocated to the correct entities and income that the entities are entitled to is appropriately recognised.</p>	Medium	<p>Management acknowledges the importance of clearing suspense accounts. These are reviewed on a monthly basis.</p> <p>A standardised reconciliation template has been developed and this will be further rolled out during 2024-25, including the introduction of a P10 balance sheet review to strengthen our control process.</p>

Audit finding and recommendation	Priority	Management response
<p><b>2. Intercompany matrix</b></p> <p>As part of our consolidation testing we agreed that intercompany balances were removed however it was noted that for market income the recharges between committee and within funds were not eliminated (See Adjustment 6 in <a href="#">Appendix 1</a>). There is therefore a risk that intercompany balances and inter fund recharges are not identified and eliminated as part of consolidation.</p> <p>We therefore recommend that an intercompany matrix is prepared and maintained to identify and capture these transactions and balances and ensure they are eliminated on consolidation.</p>	Medium	<p>Management acknowledges the improvements made to the City's Estate accounts following the overhaul of the consolidation process in 2023/24.</p> <p>In line with best practice management will continue to review the process and implement improvements where weaknesses or risks are identified.</p>
<p><b>3. Power stations bank reconciliations</b></p> <p>As part of our testing on the Barking Power and Thames Power Services cash at bank it was noted that the amount used in the bank reconciliation did not agree to the year end bank statement as the account was reconciled to a cashbook. There is therefore a risk that cash at bank is not correctly reconciled and materially misstated.</p> <p>We therefore recommend that the bank reconciliations are completed to reconcile the bank balance per the bank statement to the nominal ledger.</p>	Medium	<p>Management notes this issue applied only to Thames Power Services Limited (TPSL). A full bank reconciliation was completed for the other legal entity, Barking Power Limited (BPL). Due to internal staffing changes and HSBC access controls, the finance team did not have access to the March 2024 TPSL bank statement at the time the Draft Accounts were prepared. Given the size of the bank balance, the risk of material misstatement is minimal.</p> <p>Nonetheless, management acknowledges the importance of bank reconciliations as a financial control and will ensure that the TPSL bank account is appropriately reconciled in FY24-25.</p>

We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2024 financial statements.

Status		Priority
Recommendation fully implemented or no longer relevant		These findings merit attention within an agreed timescale.
Recommendation partially implemented		These findings are of a less urgent nature, but still require reasonably prompt action.
These findings merit attention within an agreed timescale.		These findings are significant and require urgent action.

Observations and recommendations in 2023	Priority	Status	Update 2024
<p><b>1. General Management oversight of the numbers (2023)</b></p> <p>The accumulation of the issues outlined in section 13.2 of this report, the significance of the audit journals identified throughout the audit, lack of routine checks of the numbers and lack of monthly management accounts gives rise to concern over managements monitoring and ownership of the numbers in the financial statements as a whole.</p> <p>We would recommend that CC management is completing regular routine checks of the management accounts (this should be on a monthly basis as a minimum). This will help highlight any monthly movements which are clearly not aligned with management expectation and therefore isolate material errors to the month they occurred and aid prompt investigation.</p> <p>We recommend that a separate review is completed by management of the schools' financial information (see further information in point 2 below).</p> <p>Furthermore, we would recommend that there are accounting policy / procedure documents put in place for the team to follow which are management led and reviewed. In the instance of unexpected significant changes to key team members this will mean the new team members will have a clear understanding of what is required.</p>		Partially implemented	<p><b>Management update:</b></p> <p>Management acknowledges the issues around the lack of procedure notes, training and routine checks and these have been highlighted under the FSD target operating model, transformation programme and to members of Finance Committee, Audit and Risk Management Committee and Corporate Services Committee.</p> <p>All officers involved in accounts production will complete analytical review to compare entries to expectations. Mandatory training sessions for accountants are scheduled in key areas such as, income recognition, postings to reserves, capital accounting, charity accounting etc. The timetable for accounts production includes management oversight and challenge. For known risk areas, such as the schools, oversight from corporate accounting will ensure accuracy and completeness of balances.</p> <p>Quarterly management forecasting is undertaken, this is to allow the team to focus on moving forward with the transformation that is required, and inclusion of quarterly capital forecasting. Moving to monthly management forecasts at this stage will prevent the team from progressing with the changes that are required, this includes streamlining. However, management will do monthly forecasting for the schools and other risk areas.</p> <p><b>Crowe update:</b></p> <p>As detailed in Appendix 1, we have again noted a number of adjustments, however there has been a significant improvement in the general management and oversight of the numbers. Recommendation partially implemented.</p>

## 2. Oversight at Schools level (2023)

As referenced in section 3.12 of this report, we note that there appears to be a lack of CC management oversight, review & compliance checks around the financial information being to the CC team by the schools. Given the significance of the schools numbers, and the issues found in FY23 in section 3.12 this is an area of concern.

We recommend that the CC team are completing regular routine checks of the schools' financial information, transactions, and balances (at least monthly) which is then reviewed and signed off by CC management.

The way the schools' carry out their postings needs to be revisited, transactions should be posted from the outset with the correct double entry, rather than posting one sidedly with the use of reserves codes.

In addition to this, we recommend that CC management carry out a detailed review of adequacy the control environment at the schools (to include onsite visits) and following this, clearly communicate findings and improvements required. Policy and procedure guidance in relation to controls and regulatory compliance should also be in place for the schools and monitored routinely by CC management to identify any control failings.

Furthermore, we have included a school sector update in [Appendix 7](#) to this report, this further emphasises the need for improved oversight – particularly around forecasting and the possible charging of VAT on school fees in future.

Partially implemented

### Management update:

Management commissioned an internal audit review into financial control environment, which identified significant weaknesses in processes. We are actively addressing these weaknesses in collaboration with the schools. Additional skilled resources have been recruited on a temporary basis to support the school finance team in implementing the necessary changes. A further review by Internal Audit is planned for early 2025.

Management continue to meet regularly with the Schools finance team in order to ensure that issues experienced previously are not repeated. Lessons learnt from the 2022/23 consolidation informed the 2023/24 consolidation and the issues experienced in 2022/23 were not repeated. The Schools' postings have been reviewed to ensure that transactions are posted with the correct double entry from 2024/25 and the Schools no longer have access to post journals to reserve codes.

Please note that as the schools are part of the City of London Corporation, different arrangements apply for VAT and pension options from the rest of the independent school sector. Both areas have been thoroughly researched and investigated, with findings and proposed ways forward reported to Executive Leadership Board and member forums.

### Crowe update:

As detailed in Point 1 above, we have again noted a number of adjustments, however there has been a significant improvement in the general management and oversight of the numbers. Recommendation partially implemented.



**3. Capital oversight and management (2023)**

As referenced in section prior year 3.12 and as recorded in Appendix 1 to this report, there were some significant journals identified during the audit, including a £84m duplication of the cost of Investment property additions in the year. Given the significance of the errors not being picked up by management, this is a clear indication that the control environment around Capital needs tightening.

We would recommend that the fixed asset and Investment property register is routinely reviewed (at least monthly), and there is segregation of duty between the preparer and the reviewer.

Furthermore, as part of the overall routine financial management review process suggested in point 1 above, management should be reviewing the fixed asset numbers and considering if they appear reasonable in line with their knowledge of additions, disposals and expected revaluations & impairments in the period. This will ensure an error of this significance in scale will be picked up.

Fully implemented

**Management update:**

A new Capital team has been put in place including resources with specialist capital accounting knowledge and experience. Current processes and procedures were reviewed, quarterly capital monitoring is in place and fixed asset register has been reviewed for completeness and accuracy. Reconciliations of key areas such as capital receipts took place in year to reduce the work required at year end. Finance colleagues supporting project managers are being trained in the new processes and procedures. The consistency of staff will also support in ensuring figures and adjustments look reasonable and appropriate throughout year end. Further work is being progressed under the capital transformation programme to streamline processes and procedures

**Crowe update:**

From our testing on tangible fixed assets and investment properties to date we have agreed that the adjustments posted were appropriate and in line with expectations. Recommendation fully implemented

**4. Consolidation methodology / working (2023)**

As referenced in prior year section 3.12, the current methodology for preparing the City’s Estate consolidation (i.e separate preparation of the Statement of Financial Position & I&E and use of reserves codes) means there is lack of clear double entry audit trail. Additionally, the posting of manual adjustments and hard coding numbers in to Excel cells means the methodology is prone to error.

We would recommend the following:

- In the accounting system, for all components including the schools – transactions should be posted from the outset with the correct double entry, rather than posting one sidedly with the use of reserves codes and then reconciliations performed between the movement on the SoFP and the Profit in the I&E. This was the root cause of the imbalance issue & revisiting this process will significantly reduce the need for manual entry at the consolidation level.
- The consolidation workings should then be prepared as a complete trial balances (covering all of all entries) rather than separate SoFP and I&E workings. This will immediately flag any imbalance issues on the import of all TBs from the accounting system and force any eliminations to be posted using the correct double entry from the outset.
- Furthermore, in the consolidation TB, there should be no manual postings other than elimination journals and no manual input into the TB numbers within Excel. All non-eliminating entries should be posted within the accounting system to the TB of the entity to which they relate.
- In the Consolidated TB, this should be prepared in an extended trial balance format with each eliminating journal adjusted in a separate column & cross referenced to a description of what the elimination relates to.

Further recommendations going forward:

- Given the size of the entity, we would expect management to explore the use of an appropriate consolidation software instead of the use of Excel.

Partially implemented

**Management update:**

Management acknowledges the concerns raised by the external auditors regarding the consolidation methodology and workings. In response to the recommendation provided, we have considered the following actions:

Posting Transactions with Correct Double Entry: We recognise that while all transactions in our financial system are recorded using double-entry accounting, manual adjustments are sometimes necessary due to the system setup and the nature of certain transactions. For instance, in the case of transfers from reserves, the entries are typically made by debiting reserves to reduce their balance and crediting income to recognise the transfer.

In the context of crediting income for transfers from reserves, a manual adjustment is required to ensure accurate reflection of financial activities. While the transfer of funds from reserves represents an internal movement of resources, it does not inherently constitute revenue generated from the core operational activities of the entity. Therefore, a manual adjustment to remove this income allows for proper recognition of the transfer within the income statement.

Preparation of Consolidation Workings from Complete Trial Balances:

Whilst our current system allows for the preparation of the Statement of Financial Position (SoFP) from a single trial balance report, a separate report is required to produce the Statement of Comprehensive Income.

While our current process ensures accurate and efficient generation of both financial statements, we have incorporated checks and balances into the revised consolidation working papers to enhance the accuracy and reliability of the consolidation process. These measures include rigorous review procedures and

validation checks to identify and rectify any discrepancies or errors in the consolidation process.

Looking ahead, we recognise the potential for further improvements and efficiencies, particularly in the context of the upcoming ERP implementation, with better consolidation functionality.

Elimination of Manual Postings in Consolidation Trial Balance (TB) & Preparation of Consolidated TB in Extended Trial Balance Format:

Management acknowledges the recommendation regarding the limitation of manual postings in the consolidation Trial Balance (TB). We recognise that manual inputs and adjustments in Excel can introduce risks of errors and inconsistencies in the consolidation process.

Moving forward, we are committed to adhering to best practices by limiting manual postings to only elimination journals within the consolidation TB. This approach will enhance the accuracy and reliability of our consolidated financial statements by minimising the potential for human error.

Additionally, we agree that the Consolidated TB should be prepared in an extended trial balance format, with each eliminating journal adjusted in a separate column. This format will provide greater transparency and clarity regarding the nature and purpose of each elimination, facilitating a more comprehensive understanding of the consolidation process.

This approach aligns with the methodology we employed to record audit adjustments in prior years therefore, we are confident in its effectiveness and its ability to ensure accuracy and completeness in our financial reporting.

Exploration of Consolidation Software:

In terms of wider software that could be used, the Corporation is about to embark on an ERP programme

			<p>and the chart of accounts will be a key aspect of that work to support consolidation. The potential for other systems will therefore be considered as part of that work.</p> <p><b>Crowe update:</b></p> <p>From our testing on consolidation, the only error identified was in relation to the non-elimination of recharges in Market income / expenditure.</p> <p>While there have therefore been improvements in the consolidation process we continue to recommend management to explore the use of an appropriate consolidation software instead of the use of excel. Recommendation therefore partially implemented.</p>
<p><b>5. GSMD – Tuition Fees (2023)</b></p> <p>Management have been unable to provide a breakdown from a source external to finance of the school debtor tuition fees amounting to £2,169k at GSMD in order to complete our detailed and recoverability testing. Of this balance we have a breakdown of £500k for the non-tuition fee element which we have tested.</p> <p>We recommend management review their schedules to ensure they are aware of the year end position for tuition fee debtors at the year end.</p>		<p>Fully implemented</p>	<p><b>Management update:</b></p> <p>At the time of issuing this report, a reconciliation has been prepared between the General Ledger and the underlying SITS system to account for the FY23-24 movement in the main GSMD debtor balance. Due to staffing changes at GSMD in the year, critical operational activities took precedence over year-end reconciliations. Management acknowledges the importance of improving this reconciliation process in FY24-25 and will ensure sufficient resource is in place to perform this work.</p> <p><b>Crowe update:</b></p> <p>No issues noted from our testing on tuition fees. Recommendation fully implemented.</p>

**6. Journals review (2023)**

We note that only Chamberlain (finance) staff, whether they work in the corporate team or one of the units, are able to post journals and whilst journals under £100k are not subject to management review or spot checks, they should be accompanied by relevant supporting documentation. All journals over £100k are reviewed in the form of managers' reviewing regular reports detailing these journals and approving them on the Oracle system.

Whilst this threshold is deemed satisfactory for City's Estate due to the level of materiality, this threshold for reviewing journals for some the Natural Environment entities is not sufficient due to their lower level of materiality.

Our recommendation is to lower the threshold of journal review for the Natural Environment entities and include independent spot checks for journals under the £100k threshold for City's Estate as a two-tiered approach to journal reviews.

No progress

**Management update:**

We appreciate the auditors' recommendation regarding the threshold for journal reviews. We have carefully considered this suggestion, after a careful consideration, we believe that lowering the threshold across the board would be excessively time-consuming, given the scale of our operations.

We want to assure the auditors that despite the threshold, robust controls are in place. All journals, regardless of the amount, are posted only by Chamberlain (finance) staff and the CBF & Charities Finance Team. Furthermore, for journals exceeding £100k, detailed supporting documentation is mandatory, and these journals are rigorously reviewed and approved by managers using the Oracle system.

Work is underway to create a centralised log of all journals which will incorporate the approval workflow. This will demonstrate that journals that are >100k will require review and approval when posting on the ledger. Additionally, evidence and other relevant documents can be attached to the log to ensure that all journals have supporting documents. Training on how to use the log and approval will be rolled out to all finance teams.

**Crowe update:**

No change from process noted in prior year.

**7. Capitalisation policy (2023)**

When reviewing the capitalisation policy, we noted that it is £50k for all entities with the City of London and whilst this was deemed sufficient for assets in City’s Estate due to their size, we deem this threshold to be too high for some of the Natural Environment entities due to their smaller level of materiality.

We recommend that the capitalisation policy for the Natural Environment entities is reviewed.

No progress

**Management update:**

We appreciate the auditors' diligence in reviewing our capitalisation policy. The current threshold of £50k has been applied uniformly across all entities within the City of London.

However, we value the auditors' perspective and acknowledge the unique nature of some of our Sundry Trusts and Natural Environment entities. We are currently undergoing a charity review of our Sundry Trusts and Natural Environment and will therefore consider this recommendation as part of this review.

We will ensure that our capitalisation policy is periodically revisited and adjusted if necessary to align with best practices and the unique needs of our diverse entities.

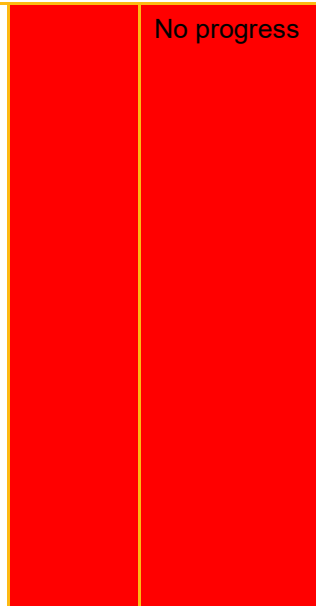
**Crowe update:**

As noted in the Natural Environment entity accounts, the capitalisation threshold has remained at £50,000 for the year to 31 March 2024.

**8. Management accounts (2023)**

We would expect management to prepare monthly management accounts which include comparisons to budgets and year to date progress. As part of the audit process we noted that City’s Estate Group, Power Stations and Natural Environment entities do not prepare management accounts.

We recommend that management accounts be prepared and reviewed each month.



**Management update:**

Support was gained from Chief Officers and Finance Committee to move to quarterly management reporting to help prioritise resources and tackle other pressures the department continues to face.

For the charities, an ongoing review of management information provided is underway, including consideration of the format and content of any reporting that is already undertaken.

In addition, the Financial Services Division is undergoing a transformation journey, plus procuring a new ERP system which provides an opportunity to address challenges faced this year.

**Crowe update:**

As noted in prior year, management accounts are not prepared on a regular basis.

**9. Double counting of income (2023)**

During our reconciliation of education income back to the accounts, we identified £4.6m of education income which was incorrectly double counted in income and reserves. We have included this as an adjusted error in [Appendix 1](#) above. We have also noted this as a control point as management failed to notice this error and have included a

We recommend that the financial statements are reviewed before being sent to us.

Fully implemented

**Management update:**

In light of this finding, we recognise the importance of enhancing our internal controls to prevent similar errors in the future. As part of our ongoing commitment to improving our processes, we will review and strengthen our year-end procedures comprehensively. This will include a meticulous examination of the reconciliation of education income to the accounts.

Specifically, we will address your recommendation by instituting a robust review process before the financial statements are sent to you for audit. This additional layer of scrutiny will help identify and rectify any potential discrepancies or errors prior to the audit stage.

**Crowe update:**

From our testing on consolidation we have agreed that there was no double counting noted in the consolidation workings for the year ended 31 March 2024. Recommendation fully implemented



<p><b>10. Year-end procedures (2022)</b></p> <p>As part of our audit testing we have noted a number of adjustments (see <a href="#">Appendix 1</a>) which relate to year end adjustments such as unallocated cash balances at year end and rental debtor credit notes which had not been considered by management in the preparation of the financial statements. We also note a large number of manual adjustments occur in the preparation of the financial statements. We would expect management to have a robust year end process in place to ensure the financial statements presented for audit have considered and reviewed any year end adjustments performed or required.</p> <p><i>Crowe recommendation</i></p> <p>We therefore recommend City’s Estate review year end procedures and ensure that each account is appropriately reviewed and considered in the preparation of the financial statements.</p> <p><u>Management update 2023</u></p> <p>Due to key personnel transitioning into new roles within the organisation, including some who have recently left, we were faced with challenges in reviewing our year-end procedures this year. However, recognising the importance of this process, additional resources were bought in starting from scratch, we are also seizing the opportunity to enhance our procedures comprehensively in the coming year. We plan to meticulously review all existing processes, meticulously documenting them to ensure they are easily transferable to new staff members. Our goal is to create standardised operating procedures (SOPs) and develop training materials, such as videos and manuals, to facilitate the seamless onboarding of new officers.</p> <p>Additionally, we are actively engaging with our auditors to ensure that the quality of our working papers meets the highest standards and aligns with their expectations.</p>	<p>Partially implemented</p>	<p><b>Management update:</b></p> <p>Recognising the importance of this process we are seizing the opportunity to enhance our procedures comprehensively in the coming year. We plan to meticulously review all existing processes, meticulously documenting them to ensure they are easily transferable to new staff members. Our goal is to create standardised operating procedures (SOPs) and develop training materials, such as videos and manuals, to facilitate the seamless onboarding of new officers.</p> <p>Additionally, we are actively engaging with our auditors to ensure that the quality of our working papers meets the highest standards and aligns with their expectations.</p> <p><b>Crowe update:</b></p> <p>As detailed in Appendix 1, we have again noted a number of adjustments, including a recharge elimination which had not been identified as part of the consolidation process. There has been significant improvements compared to prior year therefore recommendation partially implemented.</p>
<p><b>11. Related party declarations (2022)</b></p> <p>As part of normal processes at the City of London Corporation all members are expected to complete a declaration of interests each year. We noted from our audit work that 26 members did not complete a declaration this</p>	<p>Partially implemented</p>	<p><b>Management update:</b></p> <p>2023/24 has seen significant improvement in processing the declarations this year. Related Parties’ emails to Members and Chief Officers were sent out a lot earlier than usual, with several reminders following the original email. As part of the follow ups, hard copies of</p>

year. This is a control breakdown and limits the Corporation’s ability to produce accurate information for the related parties’ disclosures.

*Crowe recommendation*

We recommend the importance of these declarations is stressed to Members and procedures put in place to ensure they are all completed and submitted on a timely basis.

Crowe update 2023

Whilst the Corporation as a whole have worked to improve the return rate, we note that this remains an ongoing issue, with declarations outstanding as at the time of writing. It is expected this number will reduce, however any declarations not received increases the risk a related party transaction being missed.

Management update 2023

Despite our best efforts to address the recommendations raised in the past, we have encountered a recurring challenge. The issue stems from the numerous changes in Members, which have led to lapses in ensuring that related party declarations are completed upon departure.

To tackle this challenge head-on, we are actively working with Town Clerks to reinforce our controls and ensure that related party declarations are diligently completed in all cases. We are committed to learning from these experiences and strengthening our processes to prevent similar occurrences in the future.

declarations were handed out to Members at the Policy Resources Committee and Court of Common Council meetings by the Chamberlain and Financial Services Director. This has contributed to a year-on-year increase in the rate of returns.

In terms of the processing of declarations, checks were carried out on Companies House website for all Members and Chief Officers and rigorous peer reviews and checks were undertaken on the working papers.

It is acknowledged that not all declarations were returned with 8 declarations outstanding as at the time of issuing this report (95% response rate in 2023-24). However, Companies House checks have been undertaken on all Members and Chief officers.

**Crowe update:**

For the year ended 31 March 2024, there has been further improvements in the completion of conflict of interest declarations. At the time of writing this report, there are 8 declarations outstanding which is an improvement on prior year. Recommendation partially implemented.

## Appendix 3 - Entities

Entities	Type	Main objectives	Audit/Independent Examination (IE)
<b>Consolidated Entities</b>			
Ashtead Common	Charity	The objective of the charity is the preservation in perpetuity of the common at Ashtead as an open space for the recreation and enjoyment of the public.	IE
Burnham Beeches	Charity	The objectives of the charity are the preservation and maintenance of Burnham Beeches and Stoke common, as Open Spaces for the recreation and enjoyment of the public and to maintain their natural aspect.	Audit
Epping Forest	Charity	The objective of the charity is the preservation of Epping Forest in perpetuity, as an open space for the recreation and enjoyment of the public. The open space consists of the lands known as Epping Forest including Wanstead Park and Highams Park in Essex. Various buffer lands have been acquired by the City Corporation around the edges of Epping Forest.	Audit
Hampstead Heath /Hampstead Heath Trust	Charity	The objective of the charity is the preservation and maintenance of Hampstead Heath in perpetuity, as an open space for the recreation and enjoyment of the public.	Audit
Highgate Wood and Queen's Park Kilburn	Charity	The objective of the charity is the maintenance and preservation in perpetuity of the open spaces known as Highgate Wood and Queen's Park Kilburn, as public parks or open spaces for use by the public for exercise and recreation.	Audit
West Ham Park	Charity	The objectives of the charity are to hold West Ham Park on trust forever "as open public grounds and gardens for the resort and recreation for adults and as playground for children and youth". The City of London Corporation agreed to maintain and preserve the Park for this purpose at its own cost.	Audit
West Wickham and Spring Park Wood, Coulsdon and Other Commons	Charity	The objectives of the charities are the preservation and maintenance of West Wickham Common and Spring Park Wood Coulsdon, as Open Spaces for the recreation and enjoyment of the public.	Audit
Sir Thomas Gresham	Charity	The objectives of the charity are the provision of eight Almshouses known as the Gresham Almshouses; the annual payment of an allowance to the almsfolk; and the annual payment to the four Gresham college lecturers as detailed below.	IE
Barking Power Limited	Company	Decommissioning of the power station is the principal business of the Company and, because it receives minimal external revenue, this is financed by a loan from the City of London Corporation	Audit

Thames Power Services Limited	Company	To provide management services to Barking Power Limited in connection with operation and decommissioning of Barking Power Station.	Audit
Keats House	Charity	The objective of the charity is to preserve and maintain and restore for the education and benefit of the public the land with the buildings known as Keats House as a museum and live memorial to John Keats and as a literary meeting place and centre.	IE
City Re Limited	Company	A wholly-owned subsidiary of the City Corporation whose principal activity is to provide re-insurance protection and is included as part of management and administration activities in City's Estate	Audit

## Appendix 4 - Materiality

### Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of “materiality” to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

Our overall audit materiality for the financial statements as a whole took account of the level of activity of / funds held by each entity and was set at 2% of investments, 1.5% of income or 2% of Expenditure as appropriate for each entity.

We reassessed materiality based on the draft financial statements, and the following is a summary of the overall materiality levels we applied to the separate entities within the group.

Entity	Materiality calculation	Planning Materiality £'000	Final Materiality £'000	Reporting threshold £'000
City's Estate	2% of investments (Overall materiality)	59,110	57,286	2,864
	1.5% of income (Specific materiality – used for all areas of testing except investments, investment property, Goodwill & Pensions)	2,785	3,137	157
<b>Consolidated Audited Entities</b>				
Burnham Beeches	2% of expenditure	30	30	1.5
Epping Forrest	2% of expenditure	152	167	8.35
Hampstead Heath / Hampstead Heath Trust	2% of expenditure	191	205	10

Highgate Wood and Queen's Park Kilburn	2% of expenditure	30	30	1.5
West Ham Park	2% of expenditure	29	30	1.5
West Wickham and Spring Park Wood, Coulsdon and Other Commons	2% of expenditure	28	20	1
Barking Power Limited	2% of fixed assets	2,500	2,288	114
	2% of expenditure	147	5	0.25
Thames Power Services Limited	2% of expenditure	4	4.3	0.2

## Appendix 5 - Draft Representation Letter

*This letter must be typed on your official letterhead. It should be considered by the [Board] at the same time as the as both the Consolidated and Parent Entity's Annual Report and Financial Statements; and the Minutes should record the [Board's] approval of the letter.*

*The letter should be dated at the date of the approval of the financial statements.*

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

Dear Crowe,

We provide this letter in connection with your audit of the financial statements of City's Estate Group for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the group as at 31 March 2024 and of the results of the group's and the charity's operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made in respect of the group on the basis of sufficient enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation and that, to the best of our knowledge and belief, we can properly make each of these representations to you. If completion of the audit is delayed we authorise Caroline Al-Beyerty to provide an update to all representations sought.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.
2. We acknowledge as members, our responsibility for making accurate representations to you.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and errors, and we believe we have appropriately fulfilled those responsibilities.
4. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.

5. All the transactions undertaken by the group have been properly reflected and recorded in the accounting records or other information provided to you.
6. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting standards.
7. We confirm that we consider the key assumptions used in the preparation of the valuations of the investment properties to be appropriate and that we have not withheld any information that may affect the valuation of these properties.
8. We have considered the adjustments in Appendix 1, proposed by you. In our judgement, these adjustments are appropriate given the information available to us. We further confirm that we have now made these adjustments to the financial statements.
9. We do not wish to adjust the financial statements for the actual errors set out in Appendix 1 as we believe that the errors are immaterial, both individually and in aggregate, to the financial statements as a whole.
10. We are not aware of any actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements.
11. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.

12. We are not aware of any breaches of our charitable trusts and have advised you of the existence of all endowments and funds maintained by us.
13. There have been no events since the balance sheet date which require disclosure, or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly. We specifically authorise Caroline Al-Beyerty, Chamberlain and Chief Financial Officer, to provide an update for you to cover the time period between the signing of this letter and the date of your audit report.
14. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
15. We are not aware of any fraud or suspected fraud affecting the group involving those charged with governance, management or other employees who have a significant role in internal control or who could have a material effect on the financial statements.
16. We are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, which would have an impact on the financial statements.
17. We are not aware of any frauds that have not been included in the fraud log/ register provided to you.
18. We are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the group conducts its business.
19. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties other than matters that we consider have been appropriately and adequately disclosed.
20. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with applicable accounting standards and with the recommendations of the applicable FRS 102, Companies Act and Charity SORP'.
21. We have no plans or intentions that might materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
22. The group and parent have satisfactory title to all assets and there are no liens or encumbrances on the parent's assets, except for those that are disclosed in the financial statements.
23. There are no liabilities or contingent liabilities or guarantees that we have given to third parties other than those disclosed in the financial statements.
24. In the event that we publish the members' report, independent auditor's report and financial statements electronically, we acknowledge our responsibility for ensuring that controls over the maintenance and integrity of the entity's web site are adequate for this purpose.
25. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the group and parent are a going concern. We are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on their ability to continue as a going concern.

Yours faithfully

.....

Signed on behalf of the [board]

Date .....

**Note: Ensure appendix 1 of this report is attached as an appendix to this letter at the date of signing.**



## Appendix 6 - Responsibilities and ethical standards

### Audit purpose and approach

Our audit work has been undertaken for the purposes of forming our audit opinions on the financial statements of the City's Estate Group, Power stations and Natural Environment entities prepared by management with the oversight of the Members and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

### Financial statements

The Members of City's Estate Group, Power stations and Natural Environment are responsible for the preparation of the consolidated financial statements on a going concern basis (unless this basis is inappropriate). The Members are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

### Legal and regulatory disclosure requirements

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Companies Act 2006
- Charities Act 2011
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS 102)

### Directors' responsibilities (Power Station entities only)

Under the provisions of the Companies Act, the Directors' Report is required to include a statement confirming for each director who was a director at the time of the approval of the financial statements that:

- they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- so far as they are aware there is no relevant audit information of which the company's auditor is unaware.

### Ethical Standard

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and City's Estate Group, Power stations and Natural Environment entities or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

### Independence

International Standards on Auditing (UK) require that we keep you informed of our assessment of our independence.

We confirm that we have carried non-audit services as detailed below. We have not identified any other issues with regards to integrity, objectivity and independence and, accordingly, we remain independent for audit purposes.

In communicating with those charged with governance of the group we consider those charged with governance of the subsidiary entities to be informed about matters relevant to them.

The matters in this report are as understood by us as at the date of this report. We will advise you of any changes in our understanding, if any, during our meeting prior to the financial statements being approved.

### Non-audit services

We have considered the non-audit services we have provided in the period and have concluded that there are no facts or matters that bear upon the integrity, objectivity and independence of our firm or of the audit partner and audit staff related to the provision of such services which we should bring to your attention. Our fees for non-audit services in the year have been as follows.

GSMD Grant Audit	£6,000
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### Use of this report

This report has been provided to the Audit and Risk Committee to consider and ratify on behalf of the Those Charged with Governance, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

## Appendix 7 - School Sector update

Independent schools continue to form an intrinsic part of the education system in the UK, providing education and wider opportunities for pupils and their connected communities.

The sector has shown remarkable resilience through what remains a challenging period. Schools continue to show they are adaptable and resourceful in the face of a challenging environment characterised by rising costs and political uncertainty. Schools are meeting these challenges head on as they prepare for the introduction of VAT on school fees, loss of Business rates relief and an uncertain economic environment.

### Pupil numbers

Political change and challenging economic conditions have started to show an impact on pupil recruitment and retention in 2024. The Independent Schools Council reported a 2.7% decrease in new pupil recruitment as parents reflect on long-term affordability. This has led to the total proportion of children educated in independent schools falling from 7% to 6% in 2024.

Whilst the overall trend shows a decline across the year, there is wide regional variation in this fall with the South West, East Midlands, Scotland and Wales seeing between 0.9% and 2.1% declines in 2024. This was offset by rising pupil numbers in the North East, London, West Midlands and South Central regions which showed between 0.1% and 0.6% growth in the period. Pupil growth in the South East remained flat with 0% growth in pupil numbers reported.

2024 has also seen an 8% increase in the number of independent school children receiving SEND support which equates to 1 in 5 of all pupils.

### Fee increases, affordability and knowing your market

Governing bodies have the unenviable task of setting an appropriate fee increase at the same as many families having already had to make significant sacrifices due to wider economic pressure on disposable incomes throughout the cost-of-living crisis.

It is imperative that schools make sure they are covering costs through an appropriate fee. Missed fee increases cannot be caught up through subsequent rises, and resulting deficits on operating activities are not sustainable in the long-term for most schools.

Operational costs across the sector, and indeed the cost of living for parents, remain high. Whilst current inflation has now moved closer to the Bank of England target rate, costs remain high and real incomes for parents have yet to catch up.

Whilst there is an element of expectation from parents that fees in the year ahead will be higher to accommodate the introduction of VAT, Governors and senior management continue to face a difficult balancing act. They must consider how much of the increased costs can be passed on, particularly as many schools are already operating within a tight budget. Nevertheless, schools are ensuring that fees are being set at a level to sufficiently address the current challenges and to continue investing in the future.

March/April 2023 was around the time when many schools settled on fee increases for the following year. During this period CPI inflation was at 8.7% and interest rates, at 4.25%, were continuing to rise. At this time there was also uncertainty around the final increase expected for those in the Teachers' Pension Scheme. This had a direct impact on costs for schools. In response, schools continued to work hard to control fee increases. The Independent Schools Council reported that the annual average fee increase in 2024, was 8% which is similar to underlying wage inflation reported by the Government for the same period (7.8%), suggesting a small increase in real terms. This compares to a 5.6% increase in fees during 2023 and 3% increase in 2022.

These increases reflect the harsh realities at many schools who continue to offer a full curriculum and extra-curricular activities in a challenging macro environment.

Looking ahead, much larger increases are likely as schools look to pass on VAT and other costs which they cannot absorb within their operating models.

Affordability remains central to any decision on fee increases and schools have continued to extend the level of assistance offered to pupils, to minimise the financial burden for those who require additional financial support.

Total fee assistance provided by independent schools increased by 10.2% in 2024 (2023: 5.9%). This includes increasing the value of the average means-tested bursary by 9.3% (2023: 8.9%) across the period.

Settling on a sustainable assistance programme continues to be a critical success factor for many independent schools, as they consider the financial cost of maintaining expensive concessions against the risk of pricing parents out of the market without an effective bursary and scholarships programme.

Many schools are also increasing the level of activities which deliver other forms of public benefit which adds additional cost to operations, so Governors are continuing to revisit concessions policies to ensure they remain sustainable.

In response to increased costs both now and on the horizon, parents are increasingly re-considering entry points for independent education, many waiting until year 7 and taking a cheaper option of tutoring their children for entrance exams through state junior education. This is creating several pressures on both prep schools and other entry points within schools.

Knowing your local market is therefore critical to getting the strategic planning right for your school. Some essential questions for the Board and senior leadership team to consider:

- Where is the local competition?
- What is everyone else charging?,

What are others offering in terms of education and extras? Whilst these circumstances are challenging schools are taking the opportunity to examine catchment areas, local demographics and even bus routes to ensure offers to pupils continue to appeal within a changing marketplace.

### Public benefit

Delivering wider public benefit continues to be an important mechanism for independent schools to build community engagement and share knowledge, facilities, and other assets with the state sector.

The Independent Schools Council saw a 5.2% increase in the number of reported partnerships with the state sector in 2024, covering a diverse range of activities from sharing facilities to seconding staff.

It is important that examples of public benefit are articulated effectively in the financial statements. Consideration is needed around the messaging and how this is presented. Where a school is particularly active in its public benefit provision, the use of a Chairman's Statement or infographics at the start of the Trustees Report may help to highlight key achievements. In times where a school is involved in longer term collaborations and provisions, they may also wish to look at impact reporting to evidence the longer-term outcomes that their involvement has helped to achieve.

### Political risks and taxation

The recent change in Government has crystalised political risks surrounding the introduction of VAT from January 2025 and removal of Business rates relief from April 2025.

No one can predict with certainty how this will play out and until consultations are over and final legislation is in place, it is impossible to understand the full impact on individual schools.

Schools are now working through the financial implications of these changes and are evaluating the risks to business and parents which might follow.

Ensuring good fiscal discipline around budgets and costs centres or developing new income streams will help cushion the residual pain.

### VAT

Following the election of the Labour Party, the Government has begun the process of removing the VAT exemption from independent schools.

With no draft legislation the picture remains unclear, however there are a number of actions that schools can take to plan ahead.

Below we share some considerations that we have been discussing with schools over the past year. These actions and considerations will help independent schools to prepare should the changes be introduced in 2025.

### **Will independent schools need to register for VAT?**

Many independent schools are not currently registered for VAT. The limit for VAT registration is £90,000 of taxable supplies over a rolling 12-month period, therefore it is highly likely schools will need to register for VAT shortly after the changes in legislation become effective.

The application process is online and should be straight forward, but we already experience delays in processing with HMRC and sometimes questions asked are not entirely clear. HMRC do apply penalties for taxpayers that notify them belatedly, so the key message is to ensure you are prepared and the application is sent promptly.

### **How / when do I account for VAT on income received?**

For taxable supplies VAT generally falls due on the earlier of:

1. the issue of a VAT invoice; or
2. payment for the service.

Consequently, if a VAT invoice is raised and payment is not made promptly, the school may have to pay HMRC the VAT before it is received from the parents. This could potentially cause a cashflow issue, so it is important that schools manage this risk carefully.

(Please note that currently invoicing does not create a tax-point as the supplies are VAT exempt).

### **How do I recover VAT on costs?**

Currently, even VAT-registered schools face heavy restrictions on the amounts of VAT that can be recovered on costs because supplies of education are exempt. Therefore, it is likely many VAT-registered schools often do not record VAT on purchases. In a world with VAT on school fees,

these systems must be changed to ensure VAT is identified on costs that bear the tax, so this can be offset against the VAT due on the VAT return. It is equally important that invoices are retained to support the recovery of VAT on those costs.

### **Can I recover VAT on costs retrospectively?**

The only opportunity for schools to retrospectively recover VAT is on 'capital items' that fall under the 'Capital Goods Scheme'. For schools, these are usually VAT-bearing building projects that cost in excess of £300,000 (inclusive of VAT).

VAT can be recovered for such items that have been used in the past 10 years. However, please note that for each year of use under current rules, one-tenth of the VAT claim is lost. For more information on how the Capital Goods Scheme works, you can watch our webinar [here](#). We would recommend that schools begin identifying any Capital Goods Scheme assets and retain invoices to support their claims.

The rules for newly VAT-registered businesses usually allow for recovery of VAT on goods 'on hand' going back four years, with services being recoverable six months prior to the effective date of VAT registration. However, in most instances, this will not be the case for schools, as the goods and services will have already been used to make exempt supplies.

### **How do I submit a VAT return?**

VAT returns are usually submitted to HMRC on a quarterly basis, with returns falling due one month and seven days after the end of a particular quarter (e.g. the March VAT return would be due by submission by 7 May). Under 'Making Tax Digital' (MTD), VAT returns must be submitted electronically using MTD compliant software to share the figures with HMRC. Independent schools need to ensure that systems are updated where necessary to accommodate this extra compliance task.

It is important to note that whilst your current system may be able to submit a VAT return under MTD, it might not be able to make the adjustments required (e.g. partial exemption and non-business restrictions). Therefore, other solutions may need to be looked into; there are many excel based offerings

that offer a low cost and functional solution. Our latest thinking on VAT and schools can be viewed through the link below:

[VAT on school fees update | Crowe UK](#)

## Appendix 8 - Fraud risks

As part of our audit procedures we make enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. However, we emphasise that the responsibility to make and consider your own assessment rests with yourselves and that the Members of the Audit and Risk Committee and management should ensure that these matters are considered and reviewed on a regular basis.

Usually fraud in the charity sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, charities represented by its management and its trustees do not actively try to falsify financial statements as there are not the same incentives to do so. In the charity world fraud is usually carried out through misappropriation or theft.

The trustees should be aware that the Charity Commission provides guidance (updated in January 2023) on how to protect your charity from fraud including information about fraud, how to spot it and what you can do to protect against it.

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, the Members consider fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by the Members.

A copy of our guidance and a framework on conducting fraud risk assessments can be obtained from our website here:  
<https://www.crowe.com/uk/insights/fraud-risk-assessment-non-profit>.

A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and

- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud. Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

### Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and oversight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that charities such as City's Estate Group and Natural Environment entities should consider.

#### a) *Frauds of extraction*

This is where funds or assets in possession of the charity are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.



Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The latest [Fraud Advisory Panel research](#) indicates that 43% of charities reported a fraud or attempted fraud in 2023, an increase from 36% in the previous year. The report highlights the following as the main types of fraud carried as being the misappropriation of cash or other assets, staff expenses fraud and authorised push payment fraud (more commonly known as mandate fraud).

In terms of the main perpetrators of frauds reported, the most common were staff members, volunteers and trustees (50%), followed by individuals with no connection to the charity concerned (23%).

The close monitoring of management accounts, ledger entries and strict budgetary controls are generally seen as an effective way of detecting and deterring frauds in this area.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance. All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

It is also important to consider other policies and procedures, such as conflict of interest and whistleblowing policies, and carrying out fraud awareness training.

#### *b) Backhanders and inducements*

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

There is also the risk that once a donation of money or aid has been authorised and released in the UK, this could be diverted, probably into the underground economy, as a result of inducements paid in the destination country. Charities should be aware of the requirements and extent of the UK Bribery Act 2010, as this extends their liability to actions beyond the shores of the UK and to cover the actions of their intermediaries and agents. Organisations are required to put in place proportionate measures to prevent backhanders and inducements from being paid, either by their workers, agents or intermediaries or to their workers, agents or intermediaries.

#### *c) Frauds of diversion*

This is where income or other assets due to City's Estate Group and Natural Environment entities are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a charity becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the charity's bank account will be a lower risk than income being received by home based fundraisers.



## Appendix 9 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold webinars and therefore encourage you to visit our website (<https://www.crowe.com/uk/industries/webinars#nonprofit>) or register to our mailing list ([nonprofits@crowe.co.uk](mailto:nonprofits@crowe.co.uk)) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

### Governance

#### The Charities Act 2022: Implementation

The Charities Act 2022 (the Act) received Royal Assent on 24 February 2022 and brings into force a number of key changes to the Charities Act 2011, aimed at simplifying a number of processes.

The Charity Commission are currently working through implementing the various changes brought about by the legislation, and have set out an indicative timetable here: <https://www.gov.uk/guidance/charities-act-2022-implementation-plan>

#### *Other provisions of the Act in force from 31 October 2022*

- Section 5: Orders under section 73 of the Charities Act 2011
- Section 8: Power of the court and the Commission to make schemes
- Section 32: Trustee of charitable trust: status as trust corporation
- Section 36: Costs incurred in relation to Tribunal proceedings etc
- Part of Section 37: Public notice as regards Commission orders etc.
- Part of Section 40 and Schedule 2: Minor and consequential amendments

#### *Provisions of the Act that came into force on 14 June 2023*

- Sections 9-14 and 35a: Permanent endowment
- Sections 17, 19-22: Charity land

- Sections 25-28: Charity names
- Section 38 and 39: Connected persons
- Part of Section 40 and Schedule 2: Minor and consequential amendments

#### *Provisions of the Act expected to come into force on 7 March 2024*

- Section 1-3: Charity constitutions
- Sections 18\* and 23: Charity land
- Section 24 and Schedule 1: Amendments of the Universities and College Estates Act 1925\*\*
- Section 29: Powers relating to appointments of trustees
- Section 31: Remuneration etc of charity trustees etc
- Sections 33, 34 and 35(b): Charity mergers
- Section 37: For remaining purposes
- Section 40 and Schedule 2: For remaining purposes

\* Section 18(1) (in part), (2)(a), (2)(c) and (3)(a) will come into force on 7 March 2024. Due to the provisions being linked to section 24 and Schedule 1, section 18(1) (for remaining purposes), (2)(b) and (3)(b) will come into force on 19 May 2025.

\*\* Section 24 and Schedule 1 will come into force on 19 May 2025.

#### *Provisions of the Act expected to come into force later in 2024*

- Sections 15 and 16: Ex gratia payments

The key provisions of the Act that have been implemented to date are set out below, and further information can be found here:

<https://www.gov.uk/guidance/charities-act-2022-guidance-for-charities>

#### *Making changes to governing documents*

The Act introduces a new statutory power to allow trusts and unincorporated associations to make changes to their governing documents.

Charities will still however need to get the Commission's authority to make certain 'regulated alterations' in the same way as companies and Charitable Incorporated Organisations (CIO).

Other related changes include:

- how unincorporated charities must pass trustee and (where they have members) member resolutions when using the new power
- that the Commission will apply the same legal test when deciding whether to give authority to charitable companies, CIOs, and unincorporated charities changing their charitable purposes
- a power for the Commission to give public notice to, or to direct charities to give notice to, regulated alterations they make

The Commission have updated CC36 to reflect these changes, which can be found here: <https://www.gov.uk/government/publications/changing-your-charity-governing-document-cc36>

#### *Selling, leasing or otherwise disposing of charity land*

The following provisions are now in force:

- provisions relating to disposals by liquidators, provisional liquidators, receivers, mortgagees or administrators
- provisions relating to the taking out of mortgages by liquidators, provisional liquidators, receivers, mortgagees or administrators
- changes about what must be included in statements and certificates for both disposals and mortgages

The Commission have updated CC28 to reflect these changes, which can be found here: <https://www.gov.uk/government/publications/sales-leases-transfers-or-mortgages-what-trustees-need-to-know-about-disposing-of-charity-land-cc28>

#### *Charity mergers*

For certain mergers, new rules are now in force that will allow most gifts to charities that merge to take effect as gifts to the charity they have merged with.

Updated guidance on charity mergers can be found here:

<https://www.gov.uk/government/publications/making-mergers-work-helping-you-succeed/how-to-merge-charities>

#### *Failed appeals*

The Act introduces new rules granting the power for trustees to apply *cy-près*, allowing charities more flexibility in response to a charity appeal that has failed, allowing *donations* to be applied for another charitable purposes rather than having to be returned to donors under certain conditions:

- i) The donation is a single gift of £120 or less; and the Trustees reasonably believe that during the financial year the total amount received from the donor for the specific charitable purpose is £120 or less (unless the donor states in writing that the gift must be returned if the charitable purposes fail); or
- ii) The donor, after all agreed actions have been taken, cannot be identified or found; or
- iii) The donor cannot be identified (for example cash collections)

The Charity Commission published guidance in relation to failed appeals on 31 October 2022, which can be found here:

<https://www.gov.uk/government/publications/charity-fundraising-appeals-for-specific-purposes>

The Charity Commission has also updated its guidance [CC20 'Charity fundraising: a guide to trustee duties'](#) to reflect these changes.

The Fundraising Regulator has also published guidance, further details of which are provided below.

#### *Payments to Trustees for providing goods to the charity*

The Charities Act 2011 provided a statutory power for charities, in certain circumstances, to pay trustees for providing a service to a charity beyond usual trustee duties.

The Act extends this power to allow, in certain circumstances for payments to trustees for providing goods to the charity.

Updated guidance can be found here:

<https://www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are>

The Charity Commission has also updated its guidance [CC29 'Conflicts of interest: a guide for charity trustees'](#) and [CC11 'Trustee expenses and payments'](#) to reflect these changes.

#### *Power to amend Royal Charters*

Royal Charter charities are able to use a new statutory power to change sections in their Royal Charter which they cannot currently change, if that change is approved by the Privy Council.

Updated guidance can be found here: <https://www.gov.uk/guidance/royal-charter-charities>

#### *Selling, leasing or otherwise disposing of charity land*

Charities must comply with certain legal requirements before they dispose of charity land. Disposal can include selling, transferring or leasing charity land. The Act simplifies some of these legal requirements. The changes include:

- widening the category of designated advisers who can provide charities with advice on certain disposals
- confirming that a trustee, officer or employee can provide advice on a disposal if they meet the relevant requirements
- giving trustees discretion to decide how to advertise a proposed disposal of charity land
- removing the requirement for charities to get Commission authority to grant a residential lease to a charity employee for a short periodic or fixed term tenancy

Updated guidance can be found here:

<https://www.gov.uk/government/publications/sales-leases-transfers-or-mortgages-what-trustees-need-to-know-about-disposing-of-charity-land-cc28>.

#### *Using permanent endowment*

The Act introduces new statutory powers to enable:

- charities to spend, in certain circumstances, from a 'smaller value' permanent endowment fund of £25,000 or less without Commission authority
- certain charities to borrow up to 25% of the value of their permanent endowment fund without Commission authority

Charities that cannot use the statutory powers will require Charity Commission authority.

In addition, a new statutory power enables charities that have opted into a total return approach to investment to use permanent endowment to make social investments with a negative or uncertain financial return, provided any losses are offset by other gains.

Updated guidance can be found here:

<https://www.gov.uk/guidance/permanent-endowment-rules-for-charities>

<https://www.gov.uk/government/publications/total-return-investment-for-permanently-endowed-charities>

## Investing Charity Money

CC14 has been updated, it is now called Investing Charity Money, and takes account of the High Court Judgement on the Butler Sloss case.

CC14 states that all charities should have a written investment policy if their governing document requires they have one or if the charity is a trust, and where it gives an investment manager powers to make decisions on its behalf. It includes:

- Examples of various issues which may be relevant for trustees to consider when making investment decisions, such as the potential for an investment to conflict with the purposes of the charity, or the reputational impact of an investment decision.
- Steps trustees 'must' take to be compliant with the law and those trustees 'should' do as best practice but not legally required.
- Explanations on acting in the best interests of a charity, ensuring that above all else any decision furthers its purposes.
- Guidance on social investment and no longer uses terminology that could get in the way of trustees' understanding, such as 'ethical investment', 'mixed motive investment' and 'programme related investment'. It should be noted that whilst the guidance has simplified the terminology, this distinction is still important from a financial reporting perspective, as the Charity SORP requires different accounting treatment for mixed motive and programme related investments.

It also provides example approaches to financial returns including avoiding those investments which can reduce support for a charity and harm its reputation, and is more specific on ESG factors:

- aiming only for the best financial return you can achieve, within the level of risk that you have decided is acceptable for your charity
- alongside the financial return you are aiming for, avoiding investments that conflict with your charity's purposes.
- alongside the financial return you are aiming for, avoiding investments that could reduce support for your charity or harm its reputation, particularly amongst its supporters or beneficiaries.

- alongside the financial return you are aiming for, avoiding or making investments in companies because of their practice on environmental, social and governance (ESG) factors
- alongside the financial return you are aiming for, using your shareholder vote, or other opportunities that come with your investment, to influence practice at companies that your charity is invested in.

The revised guidance can be found here: [Investing charity money: guidance for trustees \(CC14\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/investing-charity-money-guidance-for-trustees-cc14)

## The Future Charity Chair

Crowe are pleased to have been involved in a research project looking at the essential attributes that charity Chairs of the future will need to embrace. This research explored the topic through roundtable discussions and in-depth interviews, with the final thought leadership report published in June 2024.

The research aimed to:

- Contribute ideas that will help to shape the future development and recruitment of charity Chairs.
- Enhance the future sustainability of the charity sector by highlighting longer term considerations for Board discussion.
- Provide fresh thinking to positively influence regulation and best practice guidance for the sector.
- Emphasise the value of good charity governance and the need for it to continually evolve to remain relevant.

The research highlighted a number of key findings, including challenges from a lack of diversity within charities (including trustees, staff and volunteers), and the need to recruit individuals who represent the charity's beneficiaries.

Recommendations raised within the report include developing a leadership development programme for current Chairs, succession planning and a need to promote the role as one of ambition and aspiration.

The full report can be found here: [The future charity chair | Bayes Business School \(city.ac.uk\)](https://www.city.ac.uk/research/publications/2024/the-future-charity-chair/)

## Public trust in charities 2023

The Charity Commission has published the latest annual report into public trust in charities, the report shows that although public trust has risen the increase is small though the situation appears more stable than previous years.

There is still a divide in the perception of charities when it comes to size, with smaller charities faring better than larger organisations. The research includes interviews with members of the public from various demographics and reveals that half of the population are aware of the Charity Commission.

The full report can be found here [Public trust in charities 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/public-trust-in-charities-2023)

## Defined Benefit Funding Code of Practice

The Department for Work and Pensions published its revised DB Funding and Investment Strategy Regulations in January 2024 and will apply to actuarial valuations of defined benefit pension schemes from 22 September 2024. The Regulations are closely tied to the Pensions Regulator's new DB Funding Code of Practice.

The Pensions Regulator (TPR) is analysing responses to its second consultation on the new Defined Benefit (DB) funding code of practice. The new Code includes a requirement for a 'funding and investment strategy' (FIS) where trustees will be required to articulate their approach and decisions on funding and investments. Trustees must prepare a written statement of strategy which records the FIS and supplementary details, is signed on the trustees' behalf by their chairperson, and submitted to TPR with each triennial valuation.

Under the proposals, TPR sets out a "twin-track" model where trustees will be able to choose either a prescriptive "Fast Track" option or a more flexible "Bespoke" approach to completing and submitting an actuarial valuation for TPRs assessment. The proposed requirements for the fast track route include a number of areas such as suitable long-term objectives for schemes to achieve low dependency by the time a scheme is significantly mature (measured as 12-year duration) and discount rates of gilts plus 0.5% p.a. The fast track does not explicitly take account of covenant strength. TPR plans to consult separately on proposed changes to covenant guidance.

The revised Code is expected to be published in the Summer.

<https://www.thepensionsregulator.gov.uk/en/document-library/consultations/draft-defined-benefit-funding-code-of-practice-and-regulatory-approach-consultation>

## Charity Commission: Charity Use of Social Media

On 18 September 2023 the Charity Commission published guidance for charities on their use of social media, following a consultation carried out earlier in 2023.

A knowledge gap was identified through the Charity Commission's casework where trustees were not always aware of the risks that may arise from the use of social media, meaning that some do not have sufficient oversight of their charity's activity, leaving them and their charity vulnerable.

The aim of the guidance is to help trustees improve their understanding in this area, and to encourage charities to adopt a policy on social media as a way to set their charity's approach. The guidance does not introduce new trustee duties but seeks to make clear how existing duties are relevant to a charity's use of social media.

The guidance sets out that social media use can raise issues and risks for charities, relating to problematic content:

- posted or shared by the charity on its own social media channels
- posted by the public or third parties on a charity's social media channel
- posted on a personal social media account that can be reasonably associated with the charity

The new guidance is clear that charities using social media should have a social media policy in place, explaining how it will help deliver the charity's purpose, include guidelines for expected conduct and should ensure the policy is followed.

The guidance contains a checklist to help trustees and senior employees have informed conversations on what the right policy for them looks like.

<https://www.gov.uk/government/publications/charities-and-social-media/charities-and-social-media>

## Charity Commission: Charities and Artificial Intelligence

On 2 April 2024 the Charity Commission published a blog explaining that charities may need to consider having an internal artificial intelligence (AI) policy, and that Trustees should be aware of the risks and opportunities arising from AI whether they are currently using AI or planning to do so.

The Commission is not anticipating issuing specific guidance but encourages trustees to apply existing guidance to new technologies as they emerge.

The key consideration is that AI should be used responsibly in a way that furthers the charity's purposes. Before utilising AI, consider the advantages and risks – and how these will be managed – in the context of the trustee's duties and charity's objectives.

That could involve looking at what gaps can be filled, or insights generated by an AI tool, what skills are needed to use these tools to the charity's advantage and if people within the charity's trustees, staff or volunteers have those skills. This could also consider how staff or volunteers may already be using AI.

As the use of AI develops and more applications become available, the Commission recommends charities consider whether having an internal AI policy would be beneficial so it is clear how and when it can be used in governance, by employees in their work, or in delivering services to beneficiaries.

However, Trustees remain responsible for decision making and it is vital processes are not delegated to AI alone as there are risks inherent to the way AI is built, operates, and continues to learn. Trustees and others in charities must ensure that human oversight is in place to prevent material errors, and a human touch is key to the way many charities operate and interact with their beneficiaries.

Trustees should consider external risks and reputational damage arising from the misuse and recircularization of AI, such as fake news or deep fakes.

Whilst this evolving technology may seem daunting to many, there are more opportunities for charities to engage with the technology now it is more widely available.

The full blog can be obtained here:

<https://charitycommission.blog.gov.uk/2024/04/02/charities-and-artificial-intelligence/>

## Compliance

### Holiday Entitlement – where are we now?

In March 2023 the government opened a consultation exercise to review the legislation governing holiday entitlement and holiday pay, which had over time become complex, and in some cases, difficult for employers to follow.

The consultation exercise ended on 7 July 2023, and the government's response was published on 8 November 2023. The response indicates that the following actions will be taken:

- *Introduce an accrual method for calculating holiday*  
Entitlement will be calculated as 12.07% of hours worked in a pay period for irregular hours and part year workers. All other workers will accrue leave at 1/12th of their entitlement on the first day of each month during their first year of employment.
- *Sanction rolled-up holiday pay (RHP)*  
Legislation will be introduced to allow RHP for irregular hours workers and part-year workers only.
- *Introduce a definition of irregular hour workers & part-year workers*  
Legislation will be updated to define what is meant by irregular hours workers and part-year workers.

The Government has laid out revisions in respect of the above as part of The Employment Rights (Amendment, Revocation and Transitional Provision) Regulations 2023, effective from 1 January 2024.

#### *Irregular hours and part-year workers*

To the relief of many employers the revised Working Time Regulations ('WTR') will include provisions aimed squarely at addressing the flaws laid bare in the Harper Trust v Brazel case in which it was held part year workers on permanent contracts were entitled to a full year's holiday entitlement, regardless of the number of weeks worked.

For holiday years from 1 April 2024 individuals who work irregular hours or part-year (such as term time or casual workers) will accrue holiday on the last day



of each pay period at a rate of 12.07% of the number of hours worked during the pay period. This will ensure that their entitlement will remain in proportion to the hours that have been worked and differs from other employees who receive their full entitlement at the start of a holiday year. It is open to employers to allow the employee to take more holiday than they have accrued – in such cases its essential that employment contracts reserve the right for the employer to deduct over usage from final salaries.

For the same group of workers the revised WTR sees a welcome return of rolled-up holiday pay. Rolled-up holiday pay is where the accrual in a pay period is paid to the employee with their basic salary rather than when they actually take their holiday. The practice was outlawed because in the opinion of the European Court of Justice it discouraged workers from taking time off. However, for many casual work arrangements rolled up holiday pay is the only logical approach and many employers have continued to apply it.

From 1 April 2024 rolled up holiday pay will be permitted on condition that:

- the individual is a part-year or irregular hours worker
- the holiday pay is calculated using 12.07% of all pay for work done
- the holiday pay (12.07%) is paid at the same time as the pay for work done
- the holiday pay is separately itemised on the payslip.

It's worth noting that the 12.07% formula does not account for the different holiday pots that we covered at the start of this article and therefore in some cases it could result in higher rates of holiday pay.

It is also the case that an employer has a legal duty to ensure that an individual takes their 5.6 weeks of holiday per year and this duty applies even when they are paid using rolled-up holiday pay and not when they actually take their holiday – which could make it difficult to monitor.

### *Record Keeping*

Following a 2019 decision by the European Court of Justice employers have been required to record the daily hours worked by their employees.

Under the revised WTR employers will be required to keep records that evidence compliance with the 48-hour week, opt-out agreements, length of night work and health assessments for night workers, and therefore an

employer is not required to record daily hours if they can evidence compliance by other means.

### *Key Takeways*

The revisions to the WTR should be welcome news for most employers, although in some areas they lack detail – such as a lack of definition around normal earnings for the calculation of holiday pay.

Employers of irregular and part year workers will be eager to adapt their processes to accommodate 'accrue as you go' and rolled up holiday pay.

For some employers it will be the much-needed spur to start and correctly calculate holiday pay and for others a need to evaluate the true status of their self-employed contractors.

However, for almost all employers there will be a need to look at policies and procedures to ensure that they align with the new rules on holiday carry over and ensure that 'use it or lose it' prompts are timetabled before the end of the holiday year.

The full article can be obtained here:

<https://www.crowe.com/uk/insights/holiday-entitlements>

### **Duty on employers to prevent sexual harassment at work**

The Worker Protection (Amendment of Equality Act 2010) Act 2023 received Royal Assent on 26 October 2023, and came into force on 27 October 2023, and introduces a new duty on employers to take reasonable steps to prevent sexual harassment of their employees in the course of their employment. 'In the course of their employment' covers activities outside of the workplace, for example work social events.

This new duty to prevent sexual harassment will be enforceable by an employment tribunal, where it has first upheld a claim for sexual harassment. A tribunal will have the discretion to award a 'compensation uplift' by increasing any compensation it awards for sexual harassment by up to 25% where there has been a breach of the employer's duty in sexual harassment cases.

The Equality and Human Rights Commission's guidance on sexual harassment and harassment at work contains steps employers should consider taking in order to prevent and deal with harassment at work. These steps include having an effective and well communicated anti-harassment

policy in place and maintaining a reporting register of complaints for all forms of harassment.

A copy of the guidance can be found here:

[https://www.equalityhumanrights.com/sites/default/files/sexual\\_harassment\\_and\\_harassment\\_at\\_work.pdf](https://www.equalityhumanrights.com/sites/default/files/sexual_harassment_and_harassment_at_work.pdf)

## Charities and terrorism

The Charity Commission guidance on 'Charities and Terrorism', first published in December 2012, has been updated in November 2022.

The guidance forms Chapter 1 of the Charity Commissions compliance toolkit, which provides advice and information on key aspects of the UK's counter-terrorism legislation, highlights how particular provisions are likely to affect charities and their work, explains the various 'terrorism lists' that exist and advises trustees what to do if they discover their charity may be working with or connected to people or organisations on terrorism lists.

The updated toolkit signposts to new guidance from the Crown Prosecution Service on proscription offences and terrorist financing offences and cases involving humanitarian, development and peacebuilding work overseas.

The updated toolkit can be found here:

<https://www.gov.uk/government/publications/charities-and-terrorism>

## Fundraising Regulator: Annual complaints report

In November 2023 the Fundraising Regulator has published its latest Annual Complaints Report which covers the period 1 April 2022 to 31 March 2023. The report analyses complaints received by the Fundraising Regulator and complaints reported to 58 of the UK's largest fundraising charities.

The number of complaints to the sample charities rose proportionally for most methods in line with increased fundraising activity – with 13 of the 23 fundraising methods having increased complaint numbers in 2021/22 compared to 2020/21. The overall number of complaints had increased since 2021/22 which is reflective of increases in fundraising activity since the pandemic.

Over the same period, complaints about fundraising methods including door to door fundraising (60), charity bags (57) and addressed mail (51) accounted for the majority of the 270 complaints within the Fundraising Regulator's scope. A common theme was that of misleading information, highlighting the

importance of clarity in fundraising materials.

You can see the full report [here](#).

## Charities and campaigning

With the UK due to hold a general election by January 2025 at the latest, there presents an opportunity for charities to raise awareness and shape policy decisions.

The majority of charity campaigning does not fall under election law rules, however, care must be taken when campaigning that the charity does not stray into election campaigning and remains independent from party politics.

Various guidance is available from the Charity Commission to charities to assist in assessing the risks to the charity:

- [Campaigning and political activity guidance for charities \(CC9\)](#)
- [Charities, Elections and Referendums guidance](#)
- [Charities and political donations guidance](#)

The guidance emphasises the need for any campaigning to be carefully considered by the Trustees, particularly in respect to the risks, costs and benefits of any such activity.

Charities will be required to register with the Electoral Commission as non-party campaigners if they spend more than £10,000 on regulated campaign activities and may be required to provide financial returns after the election.

The Electoral Commission has produced guidance to support organisations which can be found [here](#).

The Charity Commission have urged charities to ensure that they have read and understood the Code of Practice for non-party campaigners which has also been produced and can be found [here](#).

## Gender pay reporting

Any employer with 250 or more employees on a specific date each year (the 'snapshot date') must report their gender pay gap data. For most entities the snapshot date is the 5 April of each year.

You must report and publish your gender pay gap information within a year of your snapshot date. You must do this for every year that you have 250 or



more employees on your snapshot date.

Guidance on what and how to report can be found here:

<https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers>

### **Failure to prevent fraud and other economic crimes**

A new failure to prevent fraud offence has been introduced by the Economic Crime and Transparency Act 2023. It will apply to all large corporate entities, including charitable companies and CIOs.

An offence is committed where an employee or agent commits fraud. The penalty is an unlimited fine for the organisation, and no personal liability will be introduced for trustees or management failure to prevent fraud.

The legislation is far reaching, and where an organisation operates or is based overseas, if an employee commits fraud under UK law or affecting UK victims, the company can be prosecuted.

There is a defence to the failure to prevent economic crimes if the organisation can prove that it had reasonable prevention measures in place, or that it was not reasonable in all the circumstances to expect it to have had any procedures in place.

The offence will come into force when the government publishes statutory guidance on the reasonable procedures organisations should consider putting in place.

Full details of the legislation can be found [here](#).

### **The Economic Crime and Corporate Transparency Act 2023**

In October 2023, the Economic Crime and Corporate Transparency Act (the Act) received Royal assent and began coming into effect in stages. Secondary legislation will be needed before some of the key changes can be implemented.

The Act aims to improve the accuracy and quality of data filed with the Registrar of Companies, helping to tackle economic crime and boost confidence in the UK economy.

From a company secretarial point of view, the most significant change introduced by the Act is the reform of Companies House.

#### **Key changes**

#### *Registered office address to be 'appropriate'*

All companies must now have an 'appropriate address' as their registered office. This means that documents sent to the registered office address will reach someone acting on behalf of the company and that delivery can be acknowledged. Companies are not allowed to use a PO Box address. In the event of non-compliance, Companies House will change the registered office address to a default address.

#### *Registered email address*

Both existing and new companies must provide Companies House with a registered email address for communication purposes. This information must be included when filing the next confirmation statement with a statement date of 5 March 2024 onwards or at the time of incorporation. A new company cannot be incorporated without this information, and existing companies will not be able to file a confirmation statement without it.

#### *Statement of lawful purpose*

After 4 March 2024, new companies must confirm that they are being incorporated for a lawful purpose. Existing companies will need to confirm annually in the confirmation statement that their intended future activities will be lawful.

#### *Broadening of Registrar's powers*

The Registrar will have enhanced powers to question information filed at Companies House and request additional information to ensure that documents are timely, accurate, and not misleading. Companies House will have greater authority to scrutinise, query, and reject information that is filed or is in the process of being filed.

#### *Authorised Corporate Service Provider (ACSP)*

Under new identity verification measures, most documents filed at Companies House must be delivered by an ACSP. This includes incorporations, officer appointments (directors, secretary, members of LLP, partner of LP) and PSC appointment. This means if you are filing these documents with Companies House then you will need professional corporate service providers to do this for you or you will have to follow the additional identity verification steps to be introduced by Companies House.

#### *Changes to be introduced to Company Accounts*

Companies House is currently working on mandating digital filing and full tagging of financial information in an iXBRL format. The number of times a company can shorten its Accounting Reference Period will be reduced. Small companies will be required to file a profit and loss account and a directors' report, while micro-entities will need to file a profit and loss account. The option to file abridged accounts will be removed, and companies claiming an audit exemption will need to provide an additional eligibility statement.

#### *Restrictions on the use of corporate directors*

All directors (or director equivalents) of the entity that have been appointed as a corporate director must be natural persons, and those natural person directors must have undergone an appropriate identity verification process. Historically, any corporate entity could be appointed as a corporate director of a UK company. However, moving forward, only UK-registered entities will be eligible for appointment as corporate directors, and all directors (or director equivalents) of such entities must be natural persons. Companies with existing corporate directors will be given 12 months to comply; within that time, they must either ensure their corporate director is compliant with the principles or resign them.

Considering the recent changes introduced by the Act, boards of directors will need to review their current processes for filing at Companies House, adopt new systems for verifying filings, monitor identity verification requirements, introduce new policies on director changes, and review the appropriateness of the company's registered office address.

#### **New free digital service from National Cyber Security Centre**

The National Cyber Security Centre have launched a new free digital service, MyNCSC, which aims to enhance charities' cyber security approach.

MyNCSC combines Active Cyber Deference (ACD) digital services, offering a unified experience tailored to each user's needs, including content, vulnerabilities, and alerts.

The MyNCSC platform is a free service for UK registered charities, enabling organisations to access various ACD services, such as:

- early warning
- mail check, assessing email security compliance

- web check, finding and fixing common security vulnerabilities in the charity's website

There are plans to gradually increase the number of ACD services integrated with MyNCSC.

MyNCSC offers a unified user interface for accessing multiple services promoting collaboration within organisations when managing digital assets and viewing findings.

For further information and guidance on how MyNCSC works, visit:

<https://www.ncsc.gov.uk/information/myncsc>

#### **Virgin Media pension case**

Until it was abolished in April 2016, defined benefit pension schemes could contract out of the State schemes. In return for lower employer and employee National Insurance contributions, a scheme was required to meet certain minimum requirements in relation to the benefits provided through the scheme. Before 6 April 1997 a contracted-out salary-related scheme was required to provide each member with a Guaranteed Minimum Pension. The 1995 Pensions Act ended that regime and with effect from 6 April 1997 contracted-out schemes had to satisfy the Reference Scheme Test, which had to be assessed and certified by the scheme actuary that the minimum level of benefits under the reference scheme test would continue to be satisfied after the amendment was made.

On 25 July 2024, the Court of Appeal upheld the High Court's decision in relation to Virgin Media v NTL Pension Trustees II Limited that the statutory actuarial confirmation was required, and without this, alterations are void. This decision could potentially have a significant impact for other schemes where changes have been made without actuarial confirmation.

The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal upheld the High Court's decision that confirmation was required for amendments to future accruals, before legislation changes in 2013. Legislation does allow the Government to make retrospective regulations to validate amendments that are void due to the absence of such written

confirmation. Therefore, depending upon the outcome of any subsequent appeal to the Supreme Court, the industry may call on the Government to take action.

On 29 July 2024 a joint statement was issued a working group formed by the Association of Consulting Actuaries, the Association of Pension Lawyers and the Society of Pension Professionals proposing that the Secretary of State for Work and Pensions make regulations to validate retrospectively any scheme rule amendment affecting reference scheme test benefits, that is held to be invalid solely because a written actuarial confirmation was not received before that amendment was made. If such regulations were to be made, this would provide a fallback position for DB schemes and their sponsoring employers if issues of invalidity of scheme rule amendments were to be raised based on the Virgin Media case. Other industry bodies have also begun lobbying government to make these changes.

Page 415 In the meantime, scheme actuaries may need to consider whether they need to take account of matters raised through the Virgin Media case and take into account the impact on funding updates and triennial actuarial valuations. To date actuaries have not been explicitly referred to this matter in their actuarial valuations.

From a pension scheme accounting perspective, unless the possibility of settling the contingent liability is remote or it is not material disclosure should be made in the notes to the financial statements of the estimated financial effect and an indication of the uncertainties relating to the amount or timing. Trustees of pension schemes should assess whether disclosure is required in their accounts.

Employers will also need to consider the impact of the case on their accounts, and this will include retrospective and future liabilities and therefore will be a larger amount. If the amount is not included in actuarial valuations due to lack of information, there will need to be an assessment as to whether a disclosure is required.

## Financial and other reporting

### FRC Amendments to FRS 102

The Financial Reporting Council (FRC) issued amendments to financial reporting standards on 27 March 2024, the changes are mostly effective for accounting periods beginning or after 1 January 2026. This follows the consultation impact assessment during 2023.

The amendments include:

- a new model of revenue recognition in FRS 102 and FRS 105 based on the IFRS 15 five-step model for revenue recognition with appropriate simplifications
- a new model of lease accounting in FRS 102 based on IFRS 16 on-balance sheet model (again with appropriate simplifications)
- various other incremental improvements and clarifications

The FRC intends to publish new editions of the standards and updated staff factsheets with guidance during 2024.

The SORP committee are reflecting on these amendments and exploring how they will impact the remaining stages of the SORP development process with updates to follow.

The full amendment documents can be obtained here:

<https://www.frc.org.uk/news-and-events/news/2024/03/frc-revises-uk-and-ireland-accounting-standards/>

### Dispelling common myths about charities

ICAEW, with input from Crowe, has published guidance exploring ten myths surrounding charities and their operations, with a view to encourage transparent communication in areas where these misconceptions are prevalent. The ten myths considered are:

- Charities spend too much on fundraising.
- They should not make a surplus or build up cash reserves.
- Too much is spent on highly paid executives.

- They should not undertake commercial activities.
- Charities should be run and staffed [for free] by volunteers.
- Too much is spent on overheads.
- Charities don't pay taxes, so need less money.
- Professional qualifications are needed to become a charity trustee.
- Charities are less vulnerable to fraud than other organisations.
- Charities should not engage in campaigning and political activity.

The guidance includes access to a webinar discussing some of the key myths with voices from the sector.

The Guidance can be found here: [Dispelling common myths about charities | ICAEW](#)

### Charity Digital Skills report

The Charity Digital Skills annual report has been running since 2017 and tracks the sector during a time of significant change due to the impact of the pandemic. As we continue to navigate the cost of living crisis and the impact on the sector, this report aims to shed some light on how the digital capabilities of charities have evolved and highlighting key trends.

The report highlights that:

- Three quarters (78%) of charities say that digital is more of a priority for their organisations
- 1 in 5 charities say their IT provision is poor
- 8 out of 10 (79%) of charities see improving their website, digital presence or social media as the greatest priority for the next year
- Improving data security, privacy and GDPR compliance has become more of a priority since 2022.
- Almost half (46%) of charities say they do not have anyone with digital expertise on their board

The gaps seen in previous years persist, these include funding and leadership. With the rapid growth in AI development charities must ensure that digital skills remain a priority to avoid being left behind.

[Digital Skills Report for the Charity Sector - Introduction \(charitydigitalskills.co.uk\)](https://charitydigitalskills.co.uk)

### NCSC publishes “Cyber Threat Report: UK Charity Sector”

The National Cyber Security Centre has published a report outlining the cyber threats currently facing charities of all sizes.

The 2023 DCMS Cyber Security Breaches Survey, which measures the policies and processes organisations have for cyber security, as well as the impact of breaches and attacks, highlighted 24% of UK charities had identified a cyber-attack in the last 12 months, a decrease from 30% in 2022. The drop is driven by smaller organisations – the results for medium and large businesses, and high-income charities, remain at similar levels to last year.

The report notes that the charity sector is particularly vulnerable as they can hold significant amounts of sensitive or valuable data, making them attractive targets, alongside a perception that charities have fewer resources to commit to cyber security.

The report provides details of the commonly perpetrated cyber-attacks, as well as a number of recommendations and links to guidance to assist charities strengthen their defences.

A copy of the report can be obtained here:

<https://www.gov.uk/government/statistics/cyber-security-breaches-survey-2023/cyber-security-breaches-survey-2023#summary>

### Charity Commission: Guidance on accepting donations

In March 2024, the Charity Commission published new guidance to help charities when deciding whether to accept, refuse or return a donation.

The guidance explains when donations must be refused or returned and when these might likely need to be refused or returned. The guidance makes clear that trustees should start from a position of accepting donations, but from time to time a charity may face a difficult decision as whether to refuse or return a donation. The guidance sets out an approach for trustees to take on these occasions, advising they:

- consider the risks involved in refusing or returning the donation, and how likely and serious these are. These include negative financial impact, ability to deliver services and ability to attract donations in future
- consider the risks involved in accepting or keeping the donation, and how likely and serious these are. These include the likelihood of reduced support or reputational harm, particularly among supporters or beneficiaries
- determine how any decision aligns with their charity’s purposes
- determine what steps they can take to mitigate the risks. These include negotiating the terms of a conditional donation with the donor or developing a public explanation for a decision

It explains that if a charity is considering refusing or returning a donation, the charity must have the legal power to refuse or return a donation. In some situations, there are additional legal rules to consider e.g. disposal or land or properties of a special trust.

The charity should also consider whether it needs to make a SIR when it refuses or returns a donation.

Ultimately, as the guidance states: “Deciding whether to accept, refuse or return a donation is likely to involve a careful balancing exercise. There may be no right or wrong answer, but your decision must be rational and reasonable, and supported by clear evidence.”

The full guidance can be obtained here:

<https://www.gov.uk/guidance/accepting-refusing-and-returning-donations-to-your-charity>

## Taxation

### VAT and charity fundraisers: dual purpose?

UK VAT law allows one-off fundraising events to benefit from applying the VAT exemption to the income generated. It could also zero-rate programmes, children’s clothing, and the sale of donated goods.

The Tribunal decision involving the Yorkshire Agricultural Society (YAS) focused on the conditions imposed when applying the fundraising exemption. VAT law states that a charged event cannot qualify for VAT exemption unless its primary purpose is fundraising. HMRC had taken a rigid approach to

interpreting this rule, insisting that there can be no other motive behind the event to qualify for the exemption.

This approach has restricted the application of the fundraising exemption from organisations that they consider 'run such events anyway' (and so do not meet this fundraising primary purpose test).

The YAS decision was heavily influenced and referred frequently to the Loughborough decision, which HMRC won. However, in YAS the Tribunal did not read Loughborough as determining that fundraising must be the sole or overriding purpose of an event. This appears to have undermined HMRC's arguments significantly.

YAS run an annual show which has a dual educational and fundraising purpose. HMRC argued that the event income could not be VAT exempt as the primary intention was not fundraising. The Tribunal determined that there can be more than one primary purpose in this instance, without undermining the conditions of the exemption.

The Tribunal also agreed with the Upper Tier Tribunal case involving Loughborough Students' Union (and others) in another important point around the fundraising event rules. It agreed that the requirement to clearly hold out (advertise) an event as a fundraiser as an exemption condition, was ultra vires of EU VAT Law.

HMRC sought to argue that its assessment was all made within the relevant time limits but lost on these points also. HMRC are out of time if both of the following time limits are exceeded:

- the VAT period is more than two years old
- HMRC had the full facts for more than one year.

HMRC argued that they hadn't been given the full facts until the most recent adviser's letter,

but from the evidence, it was clear this merely re-confirmed the full facts already provided.

Whilst this case does not set a legal precedent as a First-Tier decision, it does rely very heavily on the Upper Tribunal decision in Loughborough, which set a legal precedent. It appears to have pushed back the boundaries of HMRCs restrictive approach to charity events qualifying for the fundraising VAT

exemption. HMRC must abide by time limits when assessing taxpayers. **New rates for creative industry tax reliefs**

New permanent rates announced in the Spring Budget 2024 will apply from 1 April 2025 for Theatre Tax Relief, Orchestra Tax Relief and Museums and Galleries Exhibition Tax Relief.

The new rates will be 40% for non-touring productions and 45% for touring productions and all orchestra productions. Previously, the rates were due to taper back to their original levels of 25% and 20% by 2026.

Additionally, Museums and Galleries Tax Relief – which was previously due to expire in 2026 – will have its sunset clause removed so that it is now a permanent relief.

### **Administrative changes to creative industry tax reliefs**

All claims for Theatre Tax Relief, Orchestra Tax Relief and Museums and Galleries Exhibition Tax Relief made on or after 1 April 2024 must be accompanied by an online information form. The form must be submitted before or on the same day as the submission of the company tax return in which the claim is made. The form is available here:

<https://www.gov.uk/guidance/support-yourclaim-for-creative-industry-tax-reliefs>

A number of other administrative changes have been made to the creative industry reliefs which include a requirement to disclose connected party transactions with a potential restriction on connected party costs where these have not taken place on an arm's length basis.

Further details of the administrative changes are available in this policy paper:

<https://www.gov.uk/government/publications/creative-industry-tax-reliefs-administrativechanges/administrative-changes-to-thecreative-industry-tax-reliefs>

### **Gift Aid of waived loans and refunds**

In February 2024, HMRC published new detailed guidance explaining when they will consider donations made by waiver of a right to a refund or loan repayment to be eligible for Gift Aid. The new guidance replaces previous detailed guidance, which had been largely withdrawn in early 2023.



The new guidance explains HMRC's evidence requirements which depend on the type of arrangement. For a waiver of a refund, a record of correspondence will generally be sufficient. For a loan waiver, HMRC will expect to see a legally enforceable document in place.

Importantly, the new guidance states that where a loan waiver is made by a company to a charity, HMRC take the view that for corporation tax purposes, this transaction is governed by the loan relationship rules rather than the rules for charitable donations. Under the loan relationship rules, debt releases made between connected companies are not usually deductible for tax purposes. Charity subsidiaries that donate their taxable profits annually to their parent charities should take note of this in particular.

HMRC's updated guidance is available here:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-345-claiming-gift-aid-on-waived-refunds-and-loan-repayments>

## VAT: Changes to penalty regime

For VAT accounting periods starting on or after 1 January 2023 there are new penalties for VAT returns that are submitted late and VAT which is paid late, in addition the way interest is charged has also changed. The changes are aimed at simplifying and separating penalties and interest.

The system has changed to a penalty points system, where for each return submitted late, a penalty point is issued. The penalty point threshold is determined by the accounting period, with a higher threshold for more frequent submissions. When the threshold is reached, a penalty of £200 will be issued, with a further £200 penalty for each further late submission.

Penalty points will have a lifetime of two years, after which they will expire. The period is calculated from the month after the month in which the failure occurred, e.g. submission due January 2024, so the penalty point will expire in February 2026.

Once a taxpayer reaches the threshold, all points accrued will be reset to zero when the following conditions are met:

- a period of compliance
- the taxpayer has submitted all submissions in the previous two years (even if late).

The new late payment penalty will apply in instances where the return is submitted on time but the payment is not. This penalty considers the length of the delay in making payment and the penalty increases over time.

As part of the new penalty regime, HMRC has also updated its Late Payment Interest (LPI) rules to bring these in line with other tax regimes.

Full details of the updated regime can be found here: <https://www.gov.uk/guidance/penalty-points-and-penalties-if-you-submit-your-vat-return-late>

## Employment Tax: what's keeping us hot this summer?

In the recent Budget and fiscal events, the net impact on changes to employment taxes have been relatively low-key.

However, we are seeing three key areas which employers are seeking our assistance with:

- compliance and de-risking
- cost reduction
- driving efficiencies.

### Compliance and de-risking

Recently, we have seen HMRC increase their programme of performing checks of employer records. This is unsurprising as a [Public Accounts Committee](#) report informs that HMRC recovers £18 in income tax/ National Insurance Contributions (NICs) for every £1 spent on compliance activities. This contrasts with the reported £4 return for every £1 spent on the task force recovering Coronavirus Job Retention Scheme (CJRS) claim error or fraud.

The total [tax gap](#) (being the difference between the tax HMRC expects to collect and that actually paid) in 2020/21 was £32 billion, and Income Tax/NICs made up £12.7 billion (39%) of the gap. Therefore, it's not surprising HMRC target employers for potential income tax and NICs irregularities.

To mitigate the risk of undergoing an invasive HMRC check, employers can initiate a self-review and voluntarily disclose any income tax/ NIC irregularities to HMRC. Voluntary disclosure may be beneficial as it can be viewed as good behaviour by HMRC. Additionally, this can also help protect the employer's reputation as a "good citizen", and support ESG considerations.

### Cost reduction

The cost-of-living crisis remains a concern for all, including the social purpose and non profit sector.

An effective salary sacrifice arrangement can help both employees and employers, and potentially ease some of the economic pressures. This is a way to provide attractive, ethical, and environmentally responsible benefits to employees at a time when the need to attract and retain key talent is a high priority for employers.

Salary sacrifice is, in simple terms, an arrangement whereby an employee gives up some of their gross pay in return for a non-cash employer provided benefit. Typically, we see salary workplace pension contributions paid via salary sacrifice.

An effective salary sacrifice means that although the employee's gross pay is lower, their take-home pay increases through NIC savings and tax savings on some benefits. Employers will also save on NICs.



### Driving efficiencies

During the pandemic, there was talk about what the 'new' normal would look like.

Employers should now take stock of their employment tax processes and procedures, to check that their current ways of working are effective and efficient. Some areas of focus should include:

- identify areas of robustness and conversely, where improvements could be made
- maximise available tax exemptions
- restructure and streamline current processes
- tighten controls to reduce errors or fraud
- underpin with sound governance.

### **VAT rates on new buildings, energy supplies and disabled building works**

0%, 5%, or 20%? Navigating the VAT rate for the various activities that your organisation is involved in can be challenging.

#### Can I get zero-rating on a new charity building?

There is often a common misconception that a new building purchased or built by a charity should automatically be zero-rated.

A recent VAT Tribunal case (Paradise Wildlife Park) has reconfirmed the position that for the building to be zero-rated, the building must be used by the charity in one of the following ways:

- otherwise than in the course and further of business
- as a village hall or similarly in providing social or recreational facilities for the local community.

It is important that charities are aware of whether their activities are deemed to be business under the interpretation of VAT law. Only last year, HMRC issued new guidance on what they consider to be in the course and furtherance of business. The tests are easy to meet where the activities undertaken by the charity in the building, are done for free or totally funded by grants and donations.

However, as seen in the Paradise Wildlife Park decision, it is important to note that not charging VAT does not automatically mean that you are not in business.

There is a small 5% threshold for business use in a charitable building but in our experience, many charities acquire or construct a new building which will be used for business purposes exceeding this level and will therefore not qualify for zero-rating.

If the building does qualify for zero-rating, the charity is required to issue a certificate to the supplier of the property who is either selling the building to the charity or constructing it for the charity.

#### Can I get the reduced rate of 5% on gas and electricity?

A charity can only get the reduced rate of 5% on gas and electricity when it applies to a building that is used by a charity for a 'qualifying use'.

This means that the reduced rate of 5% is not automatically applied by virtue of charity status.

Although there are various de minimis limits and tests, for the most part the 5% qualifying use applies to gas and electricity used for:

- buildings used by a charity for a relevant charitable purpose (a non-business use)
- relevant Residential Properties
- domestic Properties.

If you have a building that does qualify for the reduced rate and the supplier has been incorrectly charging you VAT at 20%, you can get the VAT incorrectly charged to you amended to the correct 5% for the preceding four years.

Please note there may be buildings owned by a charity which have 'mixed use' of qualifying and non-qualifying areas. These buildings can have the charges apportioned with the 5% VAT levied on the qualifying areas, based upon any fair and reasonable method of calculation. The remaining part will be charged at the full standard rate of 20%.

If more than 60% qualifies at the reduced rate, the entire building can be invoiced at 5% although the charity has a responsibility to review this situation

on a regular basis to ensure the apportionments remain consistent and reflective of how the building is being used.

#### VAT reliefs on building works and disability

This is not an exhaustive list and takes only part of the VAT law, but all charities are entitled to zero rating on ANY of their buildings in relation to the following building works:

Services to facilitate a disabled persons entry to or movement within any building.

The supply to a charity for the service of providing, extending, or adapting a washroom or lavatory to use by disabled persons in a building, or any part of a building, used principally by a charity for charitable purposes.

If you have been incorrectly charged 20% VAT by your supplier for building works that should have been zero-rated, you can go back four years and have the VAT incorrectly charged to you refunded.

Charities are not always able to recover VAT in full on costs, therefore it is important to take advantage of VAT rates below the standard 20%. In all the above scenarios it should be noted that the charity is required to issue a certificate to the supplier in order to get the zero or reduced-rate of VAT.

HMRC guidance states that a certificate incorrectly issued could lead to a penalty of up to 100% of the VAT which has not been charged to them. Charities should check their status before claiming the reduced or zero-rates and issuing a certificate to their supplier. If you have been overcharged there is still an opportunity to reclaim the VAT from the supplier.

#### **A non-business activity leading to a taxable supply**

The First-tier Tribunal judgement of The Towards Zero Foundation (TZF) case, provided many charities with an opportunity to consider whether they have a claim to make for input tax.

The judgement confirmed that where a charity can prove that a non-business activity has a direct and immediate link to a subsequent taxable business supply, some if not all of the VAT incurred on the non-business activity becomes recoverable.

VAT incurred in relation to a non-business activity is normally fully non-deductible, however, VAT incurred in relation to a taxable supply is fully recoverable.

The VAT Tribunal heard that TZF tested car's safety features as a secret buyer, to highlight any issues that car companies need to change. The foundation's aim is to have no road deaths caused by a lack of safety features in cars.

TZF levied no charge for the secret buyer trial testing making this a non-business activity. Where cars failed the safety standards manufacturers were notified of the areas of concern, and re-testing was then ordered by manufacturers to show where improvements had been made. The manufacturers commissioned TZF to issue a retesting report, this was a business supply for which TZF charged the manufacturer a fee plus VAT.

HMRC argued that as the first part was non-business TZF could not have the input tax incurred on the initial testing back. The Court accepted that there was a business intention throughout the process, despite non-business activity at the outset.

#### **Independent schools – draft legislation to apply VAT on fees**

In July 2024, draft legislation and accompanying papers was released by the Treasury on the introduction of VAT on independent school fees. It is important to note that this is subject to consultation and consequently may change. The main points are listed below.

##### *1. When will VAT will be introduced on private school fees?*

The new law would be effective from 1 January 2025.

Schools that are not VAT registered would need to register for VAT on or before that date. Schools that are not VAT registered but have VAT registered trading subsidiaries, need to consider whether to register as a VAT Group or have separate VAT registrations.

##### *2. How will the anti avoidance/anti forestalling legislation apply?*

Any school fees paid in advance which were received on or after 29 July 2024, would not qualify for the education exemption.

##### *3. Where would VAT be applied?*

VAT would be applied to education, boarding and accommodation, as well as any extracurricular lessons such as music, drama or sports tuition. However, we have noted that the sport exemption in the VAT Act 1994 Group 10, may still apply to letting of sport facilities to individuals.

#### 4. *What would not be subject to VAT?*

Supplies deemed to be 'closely related' to education such as the supply of transport, catering, books and stationery would continue to be exempt from VAT.

The documents do mention that 'value shifting' on these individual supplies would be challenged if they do not believe the supplies are made at a market value.

#### 5. *Will nursery school fees up to reception be subject to VAT?*

The supply of nursery school education would remain exempt, however once fees are charged for children of compulsory school age (referred to as the reception class in the UK), VAT will be applied.

#### 6. *What about before and after school childcare?*

This would remain exempt as a supply of welfare where the supply qualifies as childcare and does not form part of further education (see 3 above).

#### 7. *What about fees paid in advance (FiA) where payment has been made before 29 July?*

There is a specific mention of FiA received before 29 July 2024 which states that HMRC would seek to challenge schemes, where payments do not relate 'to specific terms' fees that have already been set'.

We do not yet have HMRC's formal policy on this statement and there will be further updates in the coming weeks. In the meantime, schools should continue to inform parents who have paid FiA that VAT would need to be added if HMRC's challenge on this basis was successful.

#### 8. *What about schools who have pupils with Special Education Needs (SEN)?*

The government would seek to ensure that pupils with the most acute SEN are not impacted by these changes. It appears that there would be two exceptions:

- (i) the pupil's condition is covered by an Education, Health and Care Plan; and
- (ii) the state system cannot accommodate pupils' needs.

#### 9. *What will happen now?*

The consultation period will now be open until 15 September 2024, comments and questions can be submitted to the Treasury. We anticipate that there will be a number of representations made during this seven-week period by professional bodies, professional associations and schools alike.

However, schools must now prepare for VAT to be introduced from 1 January 2025. As well as registering for VAT by this date, schools should be preparing their software systems to account for VAT on income and expenditure and ensure that VAT returns can be filed in line with Making Tax Digital legislation.

The HMRC briefing is available here -

<https://www.gov.uk/government/publications/revenue-and-customs-brief-8-2024-removal-of-vat-exemption-for-private-school-fees-and-boarding-fees>.

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## City of London Corporation Committee Report

<b>Committee(s):</b> Audit and Risk Management Committee – For decision Finance Committee – For decision	<b>Dated:</b> 04/11/2024 12/11/2024
<b>Subject:</b> Sundry Trusts financial statements	<b>Public report:</b>  For Decision
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	N/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Chamberlain	
<b>Report author:</b> Iain Jenkins, Chief Accountant	

### Summary

This report seeks approval of the annual reports and financial statements for the 11 Sundry Trust charities listed at **Appendix 1** for the year ended 31 March 2024.

Of the 11 charities, 3 annual reports and financial statements are audited by Crowe U.K. LLP, 4 are subject to an independent examination by Crowe U.K. LLP (“Crowe”), and 4 are below the threshold for an audit or independent examination.

Where the Corporation is Trustee, the Finance Committee approves the annual reports; if charities have individual trustees, or the Trustee is acting through the Court of Aldermen (as indicated in **Appendix 1**), the reports are approved by the respective trustees or the Aldermen following recommendation by this Committee.

The draft annual report and financial statements for each charity for the year ended 31 March 2023 are attached at **Appendix 2** for approval.

Crowe’s work on the audits and independent examinations of the charities remains in progress at the date this report was submitted (October 2024). To date although a number of control points and adjustments have been identified in respect of and on this basis we understand that Crowe currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report.

## Recommendation(s)

The Audit and Risk Management Committee are asked to:

- **Consider** the contents of the audit management report issued by Crowe U.K. LLP (comments related to these charities are included within the paper covering City's Estate);
- **Note** that the external auditor Crowe is anticipating giving an unqualified audit opinion on 3 audited charity annual reports;
- **Note** that the independent examiner Crowe is anticipating giving an unmodified report for the 8 independently examined charity annual reports;
- **Note** for information the 3 sets of annual reports which are not subject to audit and independent examination; and
- **Recommend** approval of the annual reports of the 14 charities presented for the year ended 31 March 2024, to the Finance Committee for those charities where the Corporation is Trustee; to the Aldermen for the Emmanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity (see **Appendix 1** for charity registration numbers).

## Main Report

### Background

1. The 2023-24 Annual Report and Financial Statements for 11 Sundry Trust charities for the year ended 31 March 2024 are presented for review.
2. The annual reports of the Sundry Trusts have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.
3. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end, that is by 31 January 2025. A failure to meet deadlines is recorded on the charity's entry on the Charity Commission website. There are no financial penalties incurred. In addition, the City of London Almshouses charity is regulated by the Regulator for Social Housing with a submission deadline of 6 months from the financial year end, that is 30 September 2024.
4. 11 annual reports and financial statements are presented for the Sundry Trusts of which the City Corporation is Trustee. A summary of the required form of assurance provided by Crowe is provided in the table below:

<b>Type of review</b>	<b>Number of sundry trust charities</b>
Audit	3
Independent examination	4
No review required	4

### **Current Position**

5. The external auditor (Crowe) is expected to give an unqualified opinion on the annual reports and financial statements of each of the 3 Sundry Trust charities subject to an audit.
6. For the sets of annual reports and financial statements which are subject to an independent examination, the independent examiner (Crowe) is not expected to modify their report. An independent examination offers negative assurance, that no evidence has been found that the accounts have not been prepared properly, as opposed to an audit opinion that confirms that the accounts show a “true and fair” view

### **Progress and Submission of Signed Annual Reports and Financial Statements**

7. Crowe’s work remains in progress, with review of the annual reports and some areas of audit/IE work ongoing. It is anticipated that the audits will be concluded satisfactorily to enable Crowe to issue unqualified opinions/unmodified reports as stated within paragraph 5 of this report.
8. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audits and to clarify any points or issues raised.
9. Each set of signed annual reports will be submitted to the Charity Commission and will be available to download from its website. The final management report from Crowe on its audit will be presented to the Court of Common Council for information.

### **Corporate & Strategic Implications**

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications – None

Equalities implications – None

Climate implications - None

Security implications - None

## **Conclusion**

10. The draft annual reports and financial statements of the Sundry Trust charities are presented for recommendation to Finance Committee, the Aldermen or the individual charity Trustees as applicable. At the date of this report, no modifications to audit or independent examiner reports are expected, with Crowe still needing to complete work on all charities subject to audit or independent examination. Four of the annual reports do not require independent review due to their size and are presented for information.

## **Appendices**

Appendix 1 – List of charities

Appendix 2 - Annual Reports and Financial Statements of the Sundry Trust charities

**Iain Jenkins**

Chief Accountant

E: [iain.jenkins@cityoflondon.gov.uk](mailto:iain.jenkins@cityoflondon.gov.uk)



## **SUNDRY TRUSTS**

The Corporation is Trustee of the charities listed below, for which the financial statements are presented for approval and signature:

### **Audited entities**

1. The City of London Charities Pool (charity no. 1021138)
2. City of London School for Girls Bursary Fund and the City of London School for Girls Scholarships & Prizes Fund (charity nos. 276251 and 276251-5; one set of financial statements for these linked charities)
3. City of London Almshouses (charity no. 1005857)

### **Entities subject to independent examination**

1. City of London School Bursary & Awards Fund (charity no. 276654)
2. City Educational Trust Fund (charity no. 290840)
3. City of London Freeman's School Bursary Fund (charity no. 284769)
4. City of London Combined Education Charity (charity no. 312836)

### **Entities where no audit or independent examination is required**

1. King George's Field (charity no. 1085967)
2. Guildhall Library Centenary Fund (charity no. 206950)
3. City of London Combined Relief of Poverty (charity no. 1073660)
4. Charities administered in connection with the City of London Freeman's School (23 separate charities) (charity no. 312120)

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The City of London Charities Pool

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 1021138

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# **TRUSTEE ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

The governing documents are the scheme approved by the Charity Commission on 23 January 2012, which replaced a previous governing Scheme dated 20 July 1967.

### **GOVERNANCE ARRANGEMENTS**

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of The City of London Charities Pool. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the Charity and are elected by the electorate of the City of London. The key Committee which had responsibility for directly managing matters related to the charity during 2023/24 was the Finance Committee which has delegated its authority to the Financial Investment Board (one of its sub-committees). The Financial Investment Board has now been disbanded, with its functions transferred to the new Investment Committee which was established on 19 May 2023. The Investment Committee is responsible for the Investment Strategy of the Charities Pool including the monitoring of the professional investment manager, Artemis Investment Management, which manages the investments on a daily basis. The above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

The Trustee believes that good governance is fundamental to the success of the charity. Following a comprehensive governance review, during which reference was made throughout to the good practices recommended in the Charity Governance Code, some governance and administration are being implemented, ensuring that the charity is compliant with regulations and efficient and effective in maximising impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 27.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of The City of London Charities Pool. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

The key objective of the charity is to provide small charities linked with the City of London the opportunity to obtain better returns than could generally be achieved if investments were made individually.

In so doing, the Charities Pool provides income to enable these small charities to pursue their respective objectives.

### **Investment Policy**

The investment policy is to seek an absolute return over the long term in order to provide for the outlay to meet the needs of the unitholders, whilst preserving the fund's capital base in real terms. In pursuance of the objective, the City Corporation has adopted an investment strategy using bonds, equities and cash. The fund had no direct investments in bonds as at 31 March 2024 (31 March 2023: £Nil).

The charity considers proactive engagement with the companies in which it invests to be the most effective means of understanding and influencing the social, environmental and governance policies of those companies. It expects investment managers to take steps to ensure that these factors are adequately addressed in the selection, retention and realisation of investments as far as such factors may affect investment performance.

## **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “*soliciting or otherwise procuring money or other property for charitable purposes*”. The City of London Charities Pool does not undertake fundraising activity; hence the charity does not consider it necessary to design specific procedures to monitor such activities.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing The City of London Charities Pool’s aims and objectives and in planning future activities. The purpose of the charity is to provide small charities linked with the City of London the opportunity to obtain better returns than could generally be achieved if investments were made individually. Consequently, the Trustee considers that the charity operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 27.

## **ACHIEVEMENTS AND PERFORMANCE**

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth.

With effect from 22 July 2022, the Charities Pool transferred its investments from the Artemis Income Fund to the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

The charity distributed a total of £738,059 to unitholders during the year (2022/23: £888,811) which is used by the participating charities to meet their objectives.

## **PLANS FOR FUTURE PERIODS**

While financial markets experienced positive growth in 2023/24, ongoing volatility and rising market interest rates continued to affect the value of the charity's investments. Looking ahead to 2024/25, whilst inflationary pressures remain a concern as these moderate, and economic growth begins to normalise, there are prospects for continued growth in global stock markets. These factors impact the level of distributable income available to meet the grant-making objectives of the charity.

The Trustee is monitoring the situation and will continue with the running of the Charities Pool and with distributing the fund's net income to the underlying charities.



# FINANCIAL REVIEW

## Overview of Financial Performance

### Review of the Charity's Financial Position

The Charities Pool is invested in a strategy which predominantly holds UK equities. The market value of investments as at 31 March 2024 increased in value to £24,216,968 (2022/23: £22,195,028). The investments continue to be managed effectively and as such the charity remains a going concern.

### Principal Funding Sources of the Charity

The sole source of funding for the Charities Pool is the dividend and interest income from the underlying investments.

### Income

In 2023/24 the charity's total income for the year was £1,352,651, an overall increase of £337,186 against the previous year of £1,015,465 (2022/23: decrease of £487,218). This was principally due to 53,877 new unit subscriptions in 2023/24 compared to 2022/23.

Income comprised £871,922 from investments (2022/23: £1,015,465), being £873,841 from managed investments (2022/23: £1,013,607) and £1,919 interest payable (2022/23: £1,858 interest receivable). New unit subscriptions to the fund totalled £480,729, (2022/23: Nil). Further information on new subscriptions is stated in Note 12 and Note 17.

### Expenditure

Total expenditure for the year was £1,505,968 (2022/23: £1,226,895), with charitable activities expenditure in the year totalling £1,373,067 (2022/23: £1,100,240). Distributions for the year, paid out to unitholders in September and March of each year, totalled 30.07 pence/unit (2022/23: 35.81 pence/unit), amounting to £738,059 (2022/23: £888,811). During the year, 2 unitholders took a decision to redeem units totalling £635,008 (2022/23: 2 unitholders, £211,429). Further details on redemptions are reported in Note 12 and Note 17.

Expenditure on raising funds for the year was £132,901 (2022/23: £126,655). This consists of managed investment expenses payable on the fund in the year of £115,884 (2022/23: £112,322). These are processed as movements on the capital balances and are treated as disposals. Hence, they are deducted from the Fixed Investments balances. Expenditure for 2023/24 also includes audit fees £6,930 (2022/23: £5,500) and administration fees £9,309 (2022/23: £8,742).

## Funds held

The charity's total funds held on behalf of unitholders increased by £2,022,902 or 9.05% to £24,372,772 as at 31 March 2024 (2022/23: decreased to £22,349,870). This increase is mainly the result of a gain on investments of £2,176,218 (2022/23: loss of £532,734) as well as a redemption of units of £635,008 (2022/23: £211,429). There were also subscriptions for new units of £480,729 during the year (2022/23: Nil).

The underlying investments are managed by Artemis Investment Management LLP, with the performance of the fund measured against the fund manager benchmark, being the FTSE All Share Index. Investments held in the Charities Pool performed above the average benchmark level, generating a gross return of +14.18% for 2023/24 (2022/23: +2.22%) compared with the FTSE All Share Index benchmark return of +8.43% (2022/23: +2.92%). Over the longer-term performance of the Charities Pool investments, as displayed in the table below, has been above benchmark.

Fund	31 March 2024		31 March 2023	
	3 year	5 year	3 year	5 year
Fund	+9.03%	+7.62%	+14.06%	+5.64%
FTSE All Share	+8.05%	+5.44%	+13.81%	+5.04%
<b>Fund Outperformance</b>	<b>+0.98%</b>	<b>+2.18%</b>	<b>+0.26%</b>	<b>+0.61%</b>

Details of the funds held, including their purpose, is set out within Note 14 to the financial statements.

## Reserves

The objective of the City of London Charities Pool is to maximise revenue returns and capital growth on behalf of its unitholders, with all incoming resources distributed to the unitholders each year. The free reserves of the charity are held to cover working capital needs. The Trustee believes that an amount of £15,000 should be held at present, which will be subject to annual review. Given the nature of the charity's reserves (being the accumulated fund, undistributed income and invested units at cost less profit distributed on redemptions), total reserves levels are above the minimum required to cover working capital needs; undistributed income funds are within the target range (see note 14).

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks. These have been affected by the economic volatility which is also mentioned under "Plans for Future Periods" (page 4).

The principal risks faced by the charity, and actions taken to manage them are as follows:

<b>Risk</b>	<b>Actions to manage risks</b>
Decline in income	<ul style="list-style-type: none"> <li>• Implementing strict controls.</li> <li>• The charity's funds are invested by a professional fund manager.</li> <li>• The Investment Committee regularly monitors the performance of this fund manager.</li> <li>• A large number of unitholders exit the pool.</li> </ul>
Where the Trustee has a conflict of interest	<ul style="list-style-type: none"> <li>• Those concerned having a specific understanding of trust law.</li> <li>• Adopting the protocol for disclosing any potential conflict.</li> </ul>
Losing directly employed staff and/or the support staff	<ul style="list-style-type: none"> <li>• Documenting systems, plans and projects</li> <li>• Having any necessary training programmes</li> </ul>

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee  
Committee  
The City of London Corporation  
Guildhall, London

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
of the City of London Corporation

XX October 2024

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON CHARITIES POOL**

**31/03/2023**

## **Opinion**

We have audited the financial statements of The City of London Charities Pool ('the charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and 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 31 March 2023 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 are responsible for the other information contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 8, 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 Trustee 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 Trustee 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 Trustee 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**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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 charity's 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

Crowe U.K. LLP  
Statutory Auditor  
55 Ludgate Hill, London, EC4M 7JW  
XX/XX/XXXX

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



# STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted Funds	
	Notes	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>			
Charitable activities	2	480,729	-
Investments	3	871,922	1,015,465
<b>Total income</b>		<b>1,352,651</b>	<b>1,015,465</b>
<b>Expenditure on:</b>			
Raising funds	5	132,901	126,655
Charitable activities	6	1,373,066	1,100,240
<b>Total expenditure</b>		<b>1,505,967</b>	<b>1,226,895</b>
Net gains/(losses) on investments	9	2,176,218	(532,734)
<b>Net movement in funds</b>		<b>2,022,902</b>	<b>(744,164)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	14	22,349,870	23,094,034
<b>Total funds carried forward</b>	<b>14</b>	<b>24,372,772</b>	<b>22,349,870</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 16 to 26 form part of these financial statements.

# BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Investments	9	23,932,342	21,756,589
<b>Current assets</b>			
Debtors	10	205,169	525,425
Investments	9	284,626	438,439
<b>Total current assets</b>		<b>489,795</b>	963,864
<b>Creditors: Amounts falling due within one year</b>			
Creditors	11	(49,365)	(370,583)
<b>Total Creditors: Amounts falling due within one year</b>		<b>(49,365)</b>	(370,583)
<b>Net current assets/(liabilities)</b>		<b>440,430</b>	593,281
<b>Total assets less current liabilities</b>		<b>24,372,772</b>	22,349,870
<b>The funds of the charity:</b>			
<b>Unitholders' funds</b>	14	<b>24,372,772</b>	22,349,870

The notes on pages 16 to 26 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

XX October 2024

# CASHFLOW STATEMENT

AS AT 31 MARCH 2024

	Notes	2023/24 Total £	2022/23 Total £
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	14	(547,323)	(1,314,313)
<hr/>			
Cash flows from investing activities:			
Interest and income from investments		871,922	1,015,465
Proceeds from sale of investments		3,846,417	8,668,739
Purchase of investments		(3,845,951)	(8,354,286)
<b>Net cash provided by/(used in) investing activities</b>		<b>872,388</b>	<b>1,329,918</b>
<hr/>			
<b>Cash flows from financing activities:</b>			
Net (Payment)/Receipt from sale/purchase of new units		(154,279)	(211,429)
<b>Net cash used in/(provided by) financing activities</b>		<b>(154,279)</b>	<b>(211,429)</b>
<hr/>			
<b>(Decrease)/Increase in cash in the year</b>		<b>170,786</b>	<b>(195,824)</b>
<hr/>			
<b>Change in cash and cash equivalents in the reporting period</b>		<b>170,786</b>	<b>(195,824)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>94,952</b>	<b>290,776</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>265,738</b>	<b>94,952</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

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.

### (b) Going concern

The City of London Charities Pool is a common investment fund operating in a similar way to a unit trust. The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from its investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the 12 months from the signing of these financial statements to enable the charity to continue to fulfil its obligations. In making this assessment, the Trustee has considered the current economic volatility on the value of investment assets held, future income levels and the liquidity of the charity over the 12-month period following the signing of these financial statements.

The fund will continue to operate for as long as charities use its services which in turn will depend upon the investment performance of the Pool and the financial circumstances of each charity.

As a result of enquiries made with unitholders, the Trustee has a reasonable expectation that the Pool has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised

and in any future periods affected. Management do not consider there to be any material judgements or estimates made in the preparation of the financial statements.

**(d) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of dividends, interest receivable on cash held by the fund manager and new units subscriptions.

**(e) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities.

**(f) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(g) Investments**

Investments held within the Charities Pool are managed by Artemis Investment Management LLP. All of the securities held are listed on a stock exchange. Investments are valued annually at the bid-market price at the close of business on 31 March. Cash balances held within the investment portfolio as part of the portfolio strategy, but with a maturity date of less than one year are classified as current asset investments. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(h) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects on behalf of the unitholders by the Trustee and include income generated from those assets representing unrestricted funds.

**(i) Indemnity insurance**

The City of London Corporation takes out indemnity insurance in respect of all its activities. The charity does not contribute to the cost of that insurance.

## 2. INCOME FROM NEW UNITS SUBSCRIPTIONS

	Total 2023/24	Total 2022/23
	£	£
New units subscriptions	480,729	-
	No.	No.
New units purchased	53,877	-

## 3. INCOME FROM INVESTMENTS

	Total 2023/24	Total 2022/23
	£	£
Income from Investments held	873,841	1,013,607
Interest receivable	- 1,919	1,858
	<b>871,922</b>	<b>1,015,465</b>

## 4. EXPENDITURE ON RAISING FUNDS

	Direct Costs	Support Costs	Total 2023/24 £	Total 2022/23 £
Investment management fees	115,884	16,959	132,843	126,591
Fair Value	58	-	58	64
<b>Total</b>	<b>115,942</b>	<b>16,959</b>	<b>132,901</b>	<b>126,655</b>

## 5. SUPPORT COSTS

	Support Costs £	Total 2023/24 £	Total 2022/23 £
Audit Fees	6,930	6,930	5,500
Internal Legal Fees	720	720	27
Administration Fees	9,309	9,309	8,742
<b>Total</b>	<b>16,959</b>	<b>16,959</b>	<b>14,269</b>

## 6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Total 2023/24 £	Total 2022/23 £
Distributions to unitholders	738,058	888,811
Redemptions - disposal of units	635,008	211,429
	<b>1,373,066</b>	<b>1,100,240</b>
Distributions - pence/unit	30.07	35.81
Redemptions - number of units	71,056	25,350

## 7. AUDITOR'S REMUNERATION

Crowe U.K. LLP are the auditors of the City of London's City's Cash Fund and provide assurance services for all of the different charities of which it is Trustee. In 2022/23 an audit fee of £6,930 was recharged (2022/23: £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £Nil).

## 8. TRUSTEE EXPENSES

The members of the Finance Committee of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: £Nil).

## 9. INVESTMENTS

Analysis of movement in investments:

	2024 £	2023 £
Market value 1 April	21,756,590	22,603,776
Additions	3,845,951	8,557,347
Disposals	(3,846,417)	(8,871,800)
Gain/(Loss) for the year	2,176,218	(532,734)
<b>Market value 31 March</b>	<b>23,932,342</b>	21,756,589
<b>Cash held by Fund Manager</b>	<b>284,626</b>	438,439
Total investments at 31 March	<b>24,216,968</b>	22,195,028
Historic cost 31 March	20,838,718	20,903,135

Total investments as at 31 March are split as follows:

Market value	<b>2024</b>	2023
	£	£
Long-term	23,932,342	21,756,589
Short-term	284,626	438,439
	<b>24,216,968</b>	<b>22,195,028</b>

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

	Held in the UK	Held outside the UK	<b>Total at 31 March 2024</b>
	£	£	£
Equities	20,376,230	2,652,809	<b>23,029,039</b>
Pooled Units	903,303	-	<b>903,303</b>
Cash held by Fund Manager	284,626	-	<b>284,626</b>
<b>Total</b>	<b>21,564,159</b>	<b>2,652,809</b>	<b>24,216,968</b>

	Held in the UK	Held outside the UK	Total at 31 March 2023
	£	£	£
Equities	18,010,057	3,019,287	21,029,344
Pooled Units	727,245	-	727,245
Cash held by Fund Manager	438,439	-	438,439
<b>Total</b>	<b>19,175,741</b>	<b>3,019,287</b>	<b>22,195,028</b>

## 10. DEBTORS

	<b>2024</b>	2023
	£	£
Accrued income	<b>205,169</b>	520,328
Recoverable VAT	-	5,097
	<b>205,169</b>	<b>525,425</b>

Accrued income represents those dividends confirmed as receivable prior to 31 March each year but not received as at that date.



## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Other creditors	30,477	27,096
Bank Overdraft	18,888	343,487
	<b>49,365</b>	<b>370,583</b>

## 12. MOVEMENT IN UNIT-HOLDERS FUNDS DURING THE YEAR

	2024		2023	
	Units	£	Units	£
Funds Subscribed				
Balance at 1 April	2,468,114	12,040,265	2,493,464	12,238,578
Redemptions during the year	(71,056)	(455,097)	(25,350)	(198,313)
Subscriptions during the year	53,877	480,729	-	-
<b>Invested units at cost</b>	<b>2,450,935</b>	<b>12,065,897</b>	2,468,114	12,040,265

The unit-holders values show the purchase costs and the original amounts paid for the units sold at the transaction dates since inception of the City of London Charities Pool.

## 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 March 2024	Unrestricted Income Funds	
General Fund	Total at 31 March 2024	Total at 31 March 2023
	£	£
Fixed assets - investments	23,932,342	21,756,589
Current Assets	489,795	963,864
Current Liabilities	(49,365)	(370,583)
<b>Total</b>	<b>24,372,772</b>	<b>22,349,870</b>

## 14. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	<b>Total as at 31 March 2024 £</b>
General Funds:						
Accumulated fund	12,838,316	-	-	2,176,218	-	<b>15,014,534</b>
Undistributed income	9,857	963	-	-	-	<b>10,820</b>
Invested units at cost	12,040,264	480,729	(455,097)	-	-	<b>12,065,896</b>
Profit distributed on redemptions	(2,538,567)	-	(179,911)	-	-	<b>(2,718,478)</b>
<b>Total Unit holder Funds</b>	<b>22,349,870</b>	<b>481,692</b>	<b>(635,008)</b>	<b>2,176,218</b>	<b>-</b>	<b>24,372,772</b>

<b>At 31 March 2023</b>	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	<b>Total as at 31 March 2023 £</b>
General Funds:						
Accumulated fund	13,371,050	-	-	(532,734)	-	12,838,316
Undistributed income	9,858	-	(1)	-	-	9,857
Invested units at cost	12,238,577	-	(198,313)	-	-	12,040,264
Profit distributed on redemptions	(2,525,451)	-	(13,116)	-	-	(2,538,567)
<b>Total Unit holder Funds</b>	<b>23,094,034</b>	<b>-</b>	<b>(211,430)</b>	<b>(532,734)</b>	<b>-</b>	<b>22,349,870</b>

### Purpose of the accumulated fund

The accumulated fund represents unrealised gains/(losses) in respect of current subscriptions from unitholders.

### Purpose of the undistributed income fund

This represents income receivable by the Pool which has not been distributed to subscribers/unit holders.

### Total unit-holder funds

The market value per unit as at 31 March 2024 is £9.944 (2023: £9.055). This is calculated by dividing the total value of unit-holders funds as stated above by the total number of units invested (see Note 12).

## 15. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of net income/(expenditure) to net cash flow from operating activities.

	2023/24	2022/23
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,022,902	(744,164)
Adjustments for:		
Interest and income from investments	(871,922)	(1,015,465)
(Gains)/Losses on investments	(2,176,218)	532,734
Net (new subscriptions)/redemptions	154,279	211,429
Decrease/(Increase) in debtors	320,256	(297,187)
(Decrease)/Increase in Creditors	3,381	(1,660)
<b>Net cash (used in) operating activities</b>	<b>(547,323)</b>	<b>(1,314,313)</b>

## 16. RELATED PARTIES

The City of London Corporation is the sole Trustee of both the City of London Charities Pool and of a number of the charities which are unitholders within the Pool.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Related Party	Connected Party	2023/24	2022/3	Detail of transaction
		£	£	
City of London Corporation	The City of London Corporation is the Trustee for the charity	9,309	8,742	Administration costs charged by the City of London

## 17. STATEMENT OF FUNDS HELD BY UNIT-HOLDERS

The charity holds funds on behalf of charities which have met the terms of the provisions of the Pool's New Governing Scheme dated 23 January 2012. A schedule of the charities, their respective invested amounts, their market values and distributed funds for the financial year being reported is provided below.

Unit-holder funds	2024
	£
Unit-holder funds (per summary of underlying charities)	24,372,098
Other Adjustments	674
<b>Total of unit-holder funds</b>	<b>24,372,772</b>

## CITY OF LONDON CHARITIES POOL DISTRIBUTION AND MARKET VALUE STATEMENT 2023-24

<u>Class or Subscriber</u>	<u>Commission No.</u>	<u>No. of Units at 31st March 2024</u>	<u>Net Amount Subscribed</u>	<u>Market Value (Bid price) 31st March 2023</u>	<u>Market Value (Bid price) 30th September 2023</u>	<u>Market Value (Bid price) 31st March 2024</u>	<u>Distributed 2023/24 1/2 year to Sep 23</u>	<u>Distributed 2023/24 1/2 year to Mar 24</u>
(Per Unit Values)				£9.055	£8.915	£9.944	19.171 p	10.895 p
<u>Education</u>								
<u>City of London School</u>								
Bursary and Awards Funds	276654	416,870	£2,297,194.57	£3,774,757.85	£3,716,377.70	£4,145,355.28	£79,916.32	£45,417.16
<u>City of London School for Girls</u>								
Scholarships and Prizes	276251-5	20,988	£144,722.47	£88,557.90	£87,188.27	£208,704.67	£1,874.88	£2,286.60
Bursary Funds	276251	498,501	£2,685,161.11	£4,127,558.76	£4,063,722.21	£4,957,093.94	£87,385.53	£54,310.70
<u>City of London Freemen's School</u>								
Charities Administered (In Connection With)	312120	24,140	£82,620.93	£218,587.70	£215,207.04	£240,048.16	£4,627.77	£2,630.01
Bursary Fund	284769	149,423	£1,080,215.26	£1,353,025.27	£1,332,099.47	£1,485,862.31	£28,645.22	£16,279.34
<b>Sub-Total Education</b>		<b>1,109,922</b>	<b>£6,289,914.34</b>	<b>£9,562,487.48</b>	<b>£9,414,594.69</b>	<b>£11,037,064.36</b>	<b>£202,449.72</b>	<b>£120,923.81</b>

<u>Class or Subscriber</u>	<u>Commission No.</u>	<u>No. of Units at 31st March 2024</u>	<u>Net Amount Subscribed</u>	<u>Market Value (Bid price) 31st March 2023</u>	<u>Market Value (Bid price) 30th September 2023</u>	<u>Market Value (Bid price) 31st March 2024</u>	<u>Distributed 2023/24 1/2 year to Sep 23</u>	<u>Distributed 2023/24 1/2 year to Mar 24</u>
(Per Unit Values)				£9.055	£8.915	£9.944	19.171 p	10.895 p
<u>City's Cash General</u>								
Highgate Wood & Queen's Park Kilburn	232986	18,728	£18,728.00	£169,582.04	£166,959.30	£186,231.23	£3,590.26	£2,040.38
<u>Epping Forest</u>								
Epping Forest	232990	438	£438.00	£3,966.09	£3,904.75	£4,355.47	£83.97	£47.72
<u>Miscellaneous Trusts</u>								
City Educational Trust Fund	290840	423,949	£442,314.60	£3,838,858.20	£3,779,486.68	£4,215,748.86	£81,273.38	£46,188.40
Buildhall Library Centenary Fund	206950	0	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Samuel Wilson's Loan Charity	206964	237,197	£1,001,654.65	£2,435,731.62	£2,299,603.98	£2,358,686.97	£49,450.26	£25,842.14
City of London Almshouses Trust	1005857	86,077	£417,370.50	£779,427.24	£767,372.67	£855,949.69	£16,501.44	£9,377.92
The CoL Combined Education Charity	312836	126,861	£650,382.18	£1,148,726.36	£1,130,960.23	£1,261,505.78	£24,319.96	£13,821.25
Sir Thomas Gresham Charities	221982	74	£365.56	£670.07	£659.71	£735.86	£14.19	£8.06
Hampstead Heath Trust	803392-1	65,359	£317,644.74	£591,825.75	£582,672.61	£649,929.90	£12,529.68	£7,120.73
City of London Archeological Trust	268160	46,298	£278,338.71	£419,228.39	£412,744.63	£460,387.31	£8,875.58	£5,044.08
The CoL Combined Relief of Poverty Charity	1073660	46,832	£320,940.83	£424,063.76	£417,505.22	£465,697.41	£8,977.95	£5,102.25
Partnership for Young London	1062226	10,638	£74,997.97	£96,327.09	£94,837.30	£105,784.27	£2,039.36	£1,158.99
Vickers Dunfee Memorial Benevolent Fund	238878	19,280	£133,996.00	£174,580.40	£171,880.35	£191,720.32	£3,696.08	£2,100.52
Emanuel Hospital	206952	259,282	£2,118,810.13	£2,703,297.81	£2,661,488.79	£2,578,300.21	£57,232.16	£28,248.26
Sub-Total		1,341,013	£5,775,981.87	£12,786,284.82	£12,490,076.22	£13,335,033.28	£268,584.27	£146,100.70
Total as at 31 March 2024		2,450,935	£12,065,896.21	£22,348,772.30	£21,904,670.91	£24,372,097.64	£471,033.99	£267,024.51

<u>Class or Subscriber</u>	<u>Commission No.</u>	<u>No. of Units</u> <u>at 31st March 2023</u>	<u>Net Amount</u> <u>Subscribed</u>	
Total as at 31st March 2023		2,468,114	£12,040,264.55	<u>£22,348,772.30</u>

<u>Class or Subscriber</u>	<u>Commission No.</u>	<u>No. of Units</u> <u>at 31st March 2024</u>	<u>Market Value</u> <u>31st March</u> <u>2023</u>	<u>Market Value</u> <u>of Units</u> <u>30th</u> <u>September</u> <u>2023</u>	<u>Market Value</u> <u>31st March</u> <u>2024</u>
Mid-Market Price			£9.057	£8.919	£9.947
Purchase Price			£9.061	£8.923	£9.954
Selling Price			£9.055	£8.915	£9.944
<u>1st April 2023 Purchases</u>					
<u>1st April 2023 Sales</u>					
Samuel Wilson's Loan Charity	206964	-11,044	-£46,637.50		-£100,003.42
Balances as at 30 September 2023		<u>2,457,070</u>	<u>£11,993,627.05</u>		<u>£21,904,670.91</u>

1st October 2023 Purchases:

The City of London School for Girls Bursary Ft	206952	42,669	£380,722.98		£380,722.98
CLGS Prize fund	276251-5	11,208	£100,005.70		£100,005.70

1st October 2023 Sales:

Samuel Wilson's Loan Charity	206964	-20,752	-£87,633.22		-£185,003.17
Emmanuel Hospital	206952	-39,260	-£320,826.30		-£350,001.17

Balances as at 31st March 2024		<u>2,450,935</u>	<u>12,065,896.21</u>		<u>24,372,097.64</u>
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## **REFERENCE AND ADMINISTRATION DETAILS**

**CHARITY NAME:** The City of London Charities Pool

Registered charity number: 1021138

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty – The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT MANAGER:**

Artemis Investment Management LLP, Cassini House, 57 St James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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City of London School for Girls (CLSG) Bursary Fund

Incorporating:

City of London School for Girls (CLSG) Scholarships  
and Prizes Fund

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration numbers 276251 and 276251-5

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## **ORIGINS OF THE CHARITY**

The governing document for the City of London School for Girls Bursary Fund (charity registration 276251; charity 1), incorporating the City of London School for Girls Scholarships and Prizes Fund (charity registration 276251-5; charity 2) is the Scheme approved by The Charity Commission for England and Wales on 1 December 2011. This Scheme replaced the previous charitable trust deed dated 29 June 1978, subsequently amended 28 June 1990, 23 December 1997 and 30 November 1999, for the City of London School for Girls Bursary Fund, and the various individual governing documents of the City of London School for Girls Scholarships and Prizes Fund.

# **TRUSTEE'S ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

The governing document for the City of London School for Girls Bursary Fund (charity registration 276251; charity 1), incorporating the City of London School for Girls Scholarships and Prizes Fund (charity registration 276251-5; charity 2) is the Scheme approved by The Charity Commission for England and Wales on 1 December 2011. This Scheme replaced the previous charitable trust deed dated 29 June 1978, subsequently amended 28 June 1990, 23 December 1997 and 30 November 1999, for the City of London School for Girls Bursary Fund, and the various individual governing documents of the City of London School for Girls Scholarships and Prizes Fund. The charity is constituted as a charitable trust.

This scheme further directs that the City of London School for Girls Scholarships and Prizes Fund shall be treated as forming part of the City of London School for Girls Bursary Fund solely for the purpose of Part II (registration) and Part VI (accounting) of the Charities Act 2011.

### **GOVERNANCE ARRANGEMENTS**

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of the City of London School for Girls Bursary Fund and the City of London School for Girls Scholarships and Prizes Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of these charities to the Board of Governors of the City of London School for Girls. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid for support provided to the charity and are elected by the electorate of the City of London.

The key Committee which has responsibility for directly managing matters related to the charity is the Board of Governors of the City of London School for Girls, which is ultimately responsible to the Court of Common Council of the City of London.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance has been completed and recommendations are being implemented to ensure that the charity is effective in fulfilling its objectives. Reference was made to the good practices recommended within the Charity Governance Code during this review, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 32.

Each 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 proper exercise of its functions and in meeting its duties as Trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes available to its Members seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of City of London School for Girls Bursary Fund. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

### **City of London School for Girls Bursary Fund (Charity 1)**

The objective 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:

- (1) would not be able to enter the School having been accepted; or
- (2) having commenced education at the School would not be able to continue their education at the School.

### **City of London School for Girls Scholarships and Prizes Fund (Charity 2)**

The objective of the charity is to further the education (including physical training) of pupils attending the School, former pupils of the School or pupils of other schools with whom the School has cooperated under clause 7(11) of this Scheme, by the provision of scholarships, prizes or other suitable rewards or marks of distinction.

## **INVESTMENT POLICY**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis

of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 32.

## **FUNDRAISING**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2022/23: nil).

## **POLICY ON GRANT MAKING**

The charity has established its grant making policies to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity’s criteria. The assessment, management and oversight of the charity’s grant making is provided by the City of London School for Girls, which is part of the City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the Beneficiaries.

## **PUBLIC BENEFIT STATEMENT**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the City of London School for Girls Bursary Fund and the City of London School for Girls Scholarships and Prizes Fund’s aims and objectives and in planning future activities. The purposes of the charity are as stated above.

Consequently, the Trustee considers that the City of London School for Girls Bursary Fund and the City of London School for Girls Scholarships and Prizes Fund operate to benefit the general public and satisfy the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 32.

## **ACHIEVEMENTS AND PERFORMANCE**

- 1) The aim for the City of London School for Girls Bursary Fund (charity 1) during 2023/24 was to continue to contribute towards the fees payable to the School

of pupils who, but for financial assistance, having commenced at the school, would be unable to continue at, or to enter the school having been accepted. In accordance with this aim 57 bursaries were awarded during the year amounting to £1,262,988 with support costs of £38,361 (2022/23: 56 bursaries were awarded during the year amounting to £1,059,320 with support costs of £34,938). Support costs include the funding of a Bursary Access Officer to support the facilitation of the Bursary Fund.

- 2) The aim for the City of London School for Girls Scholarships and Prizes Fund (charity 2) during 2023/24 was to continue to assist children to study various subjects at the School and to assist in further education. In 2023/24, 32 prizes were allocated from this fund amounting to £1,640 (2022/23: 26 prizes were allocated from this fund amounting to £1,885).

## **PLANS FOR FUTURE PERIODS**

The objective for 2023/24 is to continue to contribute towards the tuition fees payable to the City of London School for Girls for pupils who, but for financial assistance, would not be able to continue at or enter the School.

The Trustee has authorised in principle the merger of the City of London School for Girls Bursary Fund (Charity 1) and the City of London School for Girls Scholarships and Prizes Fund (Charity 2) following a review. This is intended to improve the impact and effectiveness of the charitable funds held by the two charities through their rationalisation into one charity and the added flexibility in how the funds might be applied, whether through bursaries, scholarships or in providing other support to beneficiaries. Public consultation on the proposals was undertaken and, now that the relevant provisions of the Charities Act 2022 came into force on 7 March 2024, the merger is being progressed by the City Corporation.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 17.

## **FINANCIAL REVIEW**

### **Overview of Financial Performance**

#### **Income**

In 2023/24 the charity's total income for the year was £919,577, an overall reduction of £124,641 against the previous year (2022/23: £1,044,218, an overall increase of £79,810 against the previous year).

The key contributor to income was from voluntary income, amounting to £744,554 (2022/23: £867,560), a reduction against the previous year primarily due to a large legacy that was received in 2022/23, which by its nature was non-recurrent, along with a change in accounting policy where donations were recognised in 2023/24 only if they were received in the year, which is consistent with the Charity's Accounting Policies. In prior years, donations were instead recognised when they were pledged.

The charity received further notable income from managed investments of £175,023 (2022/23: £176,658).

## Expenditure

Total expenditure for the year was £1,302,989, of which £1,264,628 was bursary awards with £38,361 for support costs; an overall increase of £206,847 against the previous year (2022/23: total expenditure for the year was £1,096,143, of which £1,061,205 was bursary awards with £34,938 for support costs). The increase in expenditure occurred due to a higher proportion of pupils' fees being met through bursary support in 2023/24 compared to 2022/23, additional hardship support that was provided during the year due to the cost of living crisis and as a result of the tuition fee increase that applied from September 2023.

## Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	<b>9.03%</b>	<b>7.62%</b>	14.06%	5.64%
FTSE All Share	<b>8.05%</b>	<b>5.44%</b>	13.81%	5.04%
Fund outperformance	<b>+0.98%</b>	<b>+2.18%</b>	+0.26%	+0.61%

## Funds held

The charity's total funds held increased by £86,190 to £4,876,048 as at 31 March 2024 (2022/23: the charity's total funds held reduced by £149,574 to £4,789,858). This is largely due to a gain of £468,953 (2022/23: loss of £97,313) on the investments held within the City of London Charities Pool based on valuations as at 31 March 2024. Despite ongoing market volatility and rising interest rates, global financial markets experienced positive growth in 2023/24, reflecting favourably on the value of the charity's investments. The charity purchased additional units in the Charities Pool in 2023/24 capitalising on the expected growth which has materialised into a significant gain in year.

Funds are represented mainly by permanent and expendable endowment funds. The endowment is held to generate income for the objectives of the charity and the expendable endowment funds are also used for the primary objectives of the charity.

Income of £175,023 arising from the investments held in the endowment funds was recognised in the unrestricted fund (2022/23: £176,658) and expenditure of £787,488



was met from this fund (2022/23: £930,361). The remaining balance of the fund was £39,009 as at 31 March 2024 (2022/23: £17,910).

Restricted voluntary income of £111,639 was received during 2023/24 (2022/23: £92,633) and was offset by expenditure of £83,742. All other donations and match funding received were unrestricted income.

Details of the funds held, including their purpose, is set out within notes 12 and 13 to the financial statements.

### **Reserves policy**

The reserves policy is to maintain the endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation and use the donations and investment income together with other funds, in accordance with the objectives of the charity. The Trustee also has the discretion to distribute the expendable endowment as bursaries, prizes and other forms of financial assistance should they deem this is appropriate. The free reserves of the charity are held to cover working capital needs. The trustee believes that an amount of at least £38,361 should be held at present, representing 12 months of external audit fees and staffing and administration costs, which will be subject to annual review. Current free reserves held are within the target range (see note 13).

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategies to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

<b>Risk</b>	<b>Actions to manage risks</b>
The income from investments in the Charities Pool may decline.	Funds are managed by a professional fund manager. Monitoring of the fund manager's performance is carried out by the Chamberlain & Chief Financial Officer and the Financial Investment Board.
Funding from the City may be reduced following changes in its budget policy, which could result in serious impact on the charity and lead to adverse user reaction and bad publicity.	Timely representation to be made to the City Corporation if budget policy provides a risk to charity's income. The school will continue to pursue additional sources of funding for the charity.

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy

Randall Keith Anderson, Deputy

Chairman of Finance Committee of  
The City of London Corporation

Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

XX September 2024

**INDEPENDENT AUDITOR'S REPORT TO THE  
TRUSTEE OF THE CITY OF LONDON SCHOOL FOR  
GIRLS BURSARY FUND INCORPORATING CITY OF  
LONDON SCHOOL FOR GIRLS SCHOLARSHIPS AND  
PRIZES FUND**

**HOLD FOR AUDITORS REPORT**

**HOLD FOR AUDITORS REPORT**

**HOLD FOR AUDITORS REPORT**

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds	Restricted Funds £	Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income and endowments from:</b>						
Voluntary income	2	632,915	111,639	-	<b>744,554</b>	867,560
Investments	3	175,023	-	-	<b>175,023</b>	176,658
<b>Total income</b>		<b>807,938</b>	<b>111,639</b>	<b>-</b>	<b>919,577</b>	<b>1,044,218</b>
<b>Expenditure on:</b>						
Charitable activities	4,5	787,488	83,742	431,759	<b>1,302,989</b>	1,096,143
<b>Total expenditure</b>		<b>787,488</b>	<b>83,742</b>	<b>431,759</b>	<b>1,302,989</b>	<b>1,096,143</b>
Net gains / (losses) on investments	8,9	-	-	468,953	<b>468,953</b>	(97,314)
Fair Value gains / (losses)		649	-	-	<b>649</b>	(335)
<b>Net income/(expenditure) and net movement in funds</b>	12,13	<b>21,099</b>	<b>27,897</b>	<b>37,194</b>	<b>86,190</b>	<b>(149,574)</b>
<b>Reconciliation of total funds:</b>						
Brought forward		17,910	164,714	4,607,234	<b>4,789,858</b>	4,939,432
<b>Carried forward</b>	12,13	<b>39,009</b>	<b>192,611</b>	<b>4,644,428</b>	<b>4,876,048</b>	<b>4,789,858</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 17 to 31 form part of these financial statements.



## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Investments	8,9	5,165,799	4,216,117
<b>Total fixed assets</b>		<b>5,165,799</b>	<b>4,216,117</b>
<b>Current assets</b>			
Debtors	10	10,951	121,936
Cash at bank and in hand		110,720	834,798
<b>Total current assets</b>		<b>121,672</b>	<b>956,734</b>
<b>Creditors: Amounts falling due within one year</b>	11	<b>(411,422)</b>	<b>(382,993)</b>
<b>Net current assets</b>		<b>(289,751)</b>	<b>573,741</b>
<b>Total net assets</b>		<b>4,876,048</b>	<b>4,789,858</b>
<b>The funds of the charity:</b>			
Endowment funds		4,644,428	4,607,234
Restricted funds		192,611	164,714
Unrestricted funds		39,009	17,910
<b>Total funds</b>	12,13	<b>4,876,048</b>	<b>4,789,858</b>

The notes on pages 17 to 31 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London & Chief Financial Officer

XX September 2024

## CASH FLOW STATEMENT

AS AT 31 MARCH 2024

	Notes	2023/24 Total £	2022/23 Total £
<b>Cash flows from operating activities:</b>			
Net cash (used in)/provided by operating activities	14	<b>(418,372)</b>	(239,981)
<b>Cash flows from investing activities:</b>			
Dividends, interest and income from investments		<b>175,023</b>	176,658
Purchase of investments		<b>(480,729)</b>	-
<b>Net cash provided by investing activities</b>		<b>(305,705)</b>	176,658
<b>Decrease in cash in the year</b>		<b>(724,078)</b>	(63,323)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(724,078)</b>	(63,323)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>834,798</b>	898,121
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>110,720</b>	834,798

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention as modified by the revaluation of investments which are held at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from donations and investments, so maintaining its capital base.

In making this assessment, the Trustee has considered the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

**(d) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, managed investment income and interest.

**(e) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ staff although the cost of the School's Bursary Access Officer is met from the charity, along with the City Corporation's costs of administering the charity and the audit fees. The latter are incurred by the City of London Corporation and subsequently recharged to the charity.

**(f) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(g) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(h) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity and

is allocated to the unrestricted funds. Gains and losses on the underlying assets remain as part of the permanent endowment.

**Expendable endowment fund** – this consists of funds that are expendable as a result of the charity’s governing Scheme. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity.

**Restricted funds** – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the endowment funds.

**(i) Insurance**

The charity, elected Members and staff supporting the charity’s administration are covered by the City Corporation’s insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from the City Estate.

## 2. INCOME FROM VOLUNTARY ACTIVITIES

	Unrestricted funds 2023/24 £	Restricted funds 2023/24 £	<b>Total 2023/24 £</b>
<b>Charity 1 - CLSG Bursary Fund</b>			
Donations and legacies	486,915	111,639	<b>598,554</b>
City of London Corporation match-funding	146,000	-	<b>146,000</b>
<b>Total</b>	<b>632,915</b>	<b>111,639</b>	<b>744,554</b>

	Unrestricted funds 2022/23 £	Restricted funds 2022/23 £	Total 2022/23 £
<b>Charity 1 - CLSG Bursary Fund</b>			
Donations and legacies	659,527	98,033	757,560
City of London Corporation match-funding	110,000	-	110,000
<b>Total</b>	<b>769,527</b>	<b>98,033</b>	<b>867,560</b>

Voluntary income consists of donations from individuals and organisations which are then match-funded by the City of London Corporation up to a maximum of a third of the total bursary funding provided to the School. The match-funded value is included within Note 15 Related Party Transactions.

### 3. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
<b>Charity 1 - CLSG Bursary Fund</b>		
Investment income	<b>142,917</b>	163,235
Interest	<b>26,956</b>	9,072
<b>Total</b>	<b>169,873</b>	172,307
<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>		
Investment income	<b>2,940</b>	3,502
Interest	<b>2,210</b>	849
<b>Total</b>	<b>5,150</b>	4,351
<b>Charities 1 &amp; 2 total</b>		
Investment income	<b>145,858</b>	166,737
Interest	<b>29,166</b>	9,921
<b>Total - charities 1 and 2</b>	<b>175,023</b>	176,658

#### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted		Restricted Direct costs £	Endowment	Total 2023/24 £
	Direct costs £	Support costs £		funds Direct costs £	
<b>Charity 1 - CLSG Bursary Fund</b>					
Bursaries awarded	747,487	38,361	83,742	431,759	<b>1,301,349</b>
<b>Total</b>	<b>747,487</b>	<b>38,361</b>	<b>83,742</b>	<b>431,759</b>	<b>1,301,349</b>

<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>					
Prizes	1,640	-	-	-	<b>1,640</b>
<b>Total</b>	<b>1,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,640</b>

<b>Charities 1 &amp; 2 total</b>					
Bursaries awarded	747,487	38,361	83,742	431,759	<b>1,301,349</b>
Prizes	1,640	-	-	-	<b>1,640</b>
<b>Total</b>	<b>749,127</b>	<b>38,361</b>	<b>83,742</b>	<b>431,759</b>	<b>1,302,989</b>

	Unrestricted		Restricted Direct costs £	Endowment	Total 2022/23 £
	Direct costs £	Support costs £		funds Direct costs £	
<b>Charity 1 - CLSG Bursary Fund</b>					
Bursaries awarded	928,475	34,938	92,633	38,212	1,094,258
<b>Total</b>	<b>928,475</b>	<b>34,938</b>	<b>92,633</b>	<b>38,212</b>	<b>1,094,258</b>

<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>					
Prizes	1,885	-	-	-	1,885
<b>Total</b>	<b>1,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,885</b>

<b>Charities 1 &amp; 2 total</b>					
Bursaries awarded	928,475	34,938	92,633	38,212	1,094,258
Prizes	1,885	-	-	-	1,885
<b>Total</b>	<b>930,360</b>	<b>34,938</b>	<b>92,633</b>	<b>38,212</b>	<b>1,096,143</b>

Charitable activities consist of 57 bursaries (2022/23: 56) and 32 prizes (2022/23: 26) awarded to individuals during the year.



## 5. ANALYSIS OF SUPPORT COSTS

	Charitable activities £	Governance costs £	Total 2023/24 £	Total 2022/23 £
Management & administration fees	31,431	-	31,431	29,438
Audit fees	-	6,930	6,930	5,500
Sub-total	31,431	6,930	38,361	34,938
Reallocation of governance costs	6,930	(6,930)	-	-
<b>Total support costs</b>	<b>38,361</b>	<b>-</b>	<b>38,361</b>	<b>34,938</b>

## 6. AUDITOR'S REMUNERATION

In 2023/24 a £6,930 auditor's fee was recharged to the charity by the Trustee (2022/23: £5,500).

No other services were provided to the charity by its auditors during the year.

## 7. TRUSTEE'S EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charities Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>Total 31 March 2024</b>	Total 31 March 2023
	£	£
<b>Charity 1 - CLSG Bursary Fund</b>		
Market value 1 April	4,127,567	4,222,836
Additions	380,724	-
(Loss)/ gain for the year	448,812	(95,269)
<b>Market value 31 March</b>	<b>4,957,103</b>	4,127,567
Units held in Charities Pool	498,501	455,833
<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>		
Market value 1 April	88,549	90,593
Additions	100,006	-
(Loss)/ gain for the year	20,141	(2,044)
<b>Market value 31 March</b>	<b>208,696</b>	88,549
Units held in Charities Pool	20,988	9,779
<b>Total charities 1 and 2:</b>		
<b>Total market value 31 March</b>	<b>5,165,799</b>	4,216,117
<b>Total cost 31 March</b>	<b>2,829,884</b>	1,765,156
Total units held in Charities Pool	519,489	465,612

## 9. INVESTMENTS (CONTINUED)

The type of listed investments held as at 31 March was as follows:

	<b>Total 31 March 2024</b>	Total 31 March 2023
	£	£
Equities	4,912,159	3,994,349
Pooled Units	192,684	138,289
Cash held by Fund Manager	60,956	83,479
<b>Total</b>	<b>5,165,799</b>	4,216,117

## 10. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Total 31 March 2024 £	Total 31 March 2023 £
<b>Charity 1 - CLSG Bursary Fund</b>		
Sundry debtors	-	46,022
Amounts due from HMRC for Gift Aid	10,951	75,914
<b>Total</b>	<b>10,951</b>	<b>121,936</b>

## 11. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2024 £	2023 £
<b>Charity 1 - CLSG Bursary Fund</b>		
Bursaries awarded	409,782	353,776
Receipts in advance	-	29,217
<b>Total</b>	<b>409,782</b>	<b>382,993</b>

<b>Charity 2 - CLSG Scholarships and Prizes</b>		
Bursaries awarded	1,640	-
Receipts in advance	-	-
<b>Total</b>	<b>1,640</b>	<b>-</b>

	2024 £	2023 £
<b>Charity 1 - bursaries awarded analysis within creditors:</b>		
Commitments at 1 April	353,776	299,252
Commitments made in the year	1,262,987	1,059,320
Amounts paid in the year	(1,206,981)	(1,004,796)
Commitments at 31 March	409,782	353,776

## 12. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024

	Unrestricted	Restricted	Endowment Funds		Total 31 March 2024
			Permanent	Expendable	
	£	£	£	£	
<b>Charity 1 - CLSG Bursary Fund</b>					
Fixed assets -					
investments	-	-	59,674	4,897,429	<b>4,957,103</b>
Current assets	436,199	192,611	-	(459,274)	<b>169,535</b>
Current liabilities	(409,782)	-	-	-	<b>(409,782)</b>
<b>Total</b>	<b>26,416</b>	<b>192,611</b>	<b>59,674</b>	<b>4,438,155</b>	<b>4,716,856</b>
<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>					
Fixed assets -					
investments	-	-	-	208,696	<b>208,696</b>
Current assets	14,233	-	-	(62,097)	<b>(47,864)</b>
Current liabilities	(1,640)	-	-	-	<b>(1,640)</b>
<b>Total</b>	<b>12,593</b>	<b>-</b>	<b>-</b>	<b>146,599</b>	<b>159,192</b>
<b>Total (charities 1 and 2)</b>	<b>39,009</b>	<b>192,611</b>	<b>59,674</b>	<b>4,584,754</b>	<b>4,876,048</b>

At 31 March 2023

	Unrestricted	Restricted	Endowment Funds		Total 31 March 2023
			Permanent	Expendable	
	£	£	£	£	
<b>Charity 1 - CLSG Bursary Fund</b>					
Fixed assets -					
investments	-	-	54,338	4,073,230	<b>4,127,568</b>
Current assets	391,870	164,714	-	353,209	<b>909,792</b>
Current liabilities	(382,993)	-	-	-	<b>(382,993)</b>
<b>Total</b>	<b>8,877</b>	<b>164,714</b>	<b>54,338</b>	<b>4,426,439</b>	<b>4,654,367</b>
<b>Charity 2 - CLSG Scholarships and Prizes Fund</b>					
Fixed assets -					
investments	-	-	-	88,549	<b>88,549</b>
Current assets	9,034	-	-	37,908	<b>46,942</b>
Current liabilities	-	-	-	-	<b>-</b>
<b>Total</b>	<b>9,034</b>	<b>-</b>	<b>-</b>	<b>126,457</b>	<b>135,491</b>
<b>Total (charities 1 and 2)</b>	<b>17,911</b>	<b>164,714</b>	<b>54,338</b>	<b>4,552,896</b>	<b>4,789,858</b>

### 13. MOVEMENT IN FUNDS

#### At 31 March 2024

	Total 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Total 31 March 2024 £
Endowment funds:					
Expendable	4,552,896	-	(431,759)	463,617	<b>4,584,754</b>
Permanent	54,338	-	-	5,336	<b>59,674</b>
Restricted funds:					
11+ Tower Hamlets Bursaries (7 years)	-	46,300	(46,300)	-	-
11+ Bursaries (5 years)	-	-	-	-	-
Lower Sixth Bursaries (2 years)	-	-	-	-	-
Sixth Form Bursaries (up to 2 years)	150,000	-	-	-	<b>150,000</b>
Sixth Form STEM Bursaries (1 or 2 years)	-	22,667	(22,667)	-	-
11+ Bursaries (7 years)	-	-	-	-	-
Pupils from single parent families	-	5,000	(5,000)	-	-
Existing pupils facing financial hardship	9,314	-	-	-	<b>9,314</b>
Fuel their Passions	5,400	37,672	(9,775)	-	<b>33,297</b>
Unrestricted fund	17,910	807,938	(787,488)	649	<b>39,009</b>
<b>Total funds</b>	<b>4,789,858</b>	<b>919,577</b>	<b>(1,302,989)</b>	<b>469,602</b>	<b>4,876,048</b>

#### At 31 March 2023

	Total 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total 31 March 2023 £
Endowment funds:					
Expendable	4,687,167	-	(38,212)	(96,059)	<b>4,552,896</b>
Permanent	55,593	-	-	(1,255)	<b>54,338</b>
Restricted funds:					
11+ Tower Hamlets Bursaries (7 years)	-	32,841	(32,841)	-	-
11+ Bursaries (5 years)	-	14,798	(14,798)	-	-
Lower Sixth Bursaries (2 years)	-	16,596	(16,596)	-	-
Sixth Form Bursaries (up to 2 years)	150,000	-	-	-	<b>150,000</b>
Sixth Form STEM Bursaries (1 or 2 years)	-	14,000	(14,000)	-	-
11+ Bursaries (7 years)	-	7,298	(7,298)	-	-
Pupils from single parent families	-	7,100	(7,100)	-	-
Existing pupils facing financial hardship	9,314	-	-	-	<b>9,314</b>
Fuel their Passions	-	5,400	-	-	<b>5,400</b>
Unrestricted fund	37,358	946,185	(965,298)	(335)	<b>17,910</b>
<b>Total funds</b>	<b>4,939,432</b>	<b>1,044,218</b>	<b>(1,096,143)</b>	<b>(97,649)</b>	<b>4,789,858</b>

## MOVEMENT IN FUNDS OF CHARITY 1 - CLSG BURSARY FUND

<b>Total 31 March 2024</b>	Total 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	<b>Total 31 March 2024 £</b>
Endowment funds:					
Expendable	4,426,439	-	(431,759)	443,476	<b>4,438,155</b>
Permanent	54,338	-	-	5,336	<b>59,674</b>
Restricted funds:	-	-	-	-	-
11+ Tower Hamlets Bursaries (7 years)	-	46,300	(46,300)	-	-
11+ Bursaries (5 years)	-	-	-	-	-
Lower Sixth Bursaries (2 years)	-	-	-	-	-
Sixth Form Bursaries (up to 2 years)	150,000	-	-	-	<b>150,000</b>
Sixth Form STEM Bursaries (1 or 2 years)	-	22,667	(22,667)	-	-
11+ Bursaries (7 years)	-	-	-	-	-
Pupils from single parent families	-	5,000	(5,000)	-	-
Existing pupils facing financial hardship	9,314	-	-	-	<b>9,314</b>
Fuel their Passions	5,400	37,672	(9,775)	-	<b>33,297</b>
Unrestricted fund	8,877	802,788	(785,848)	600	<b>26,416</b>
<b>Total funds - charity 1</b>	<b>4,654,368</b>	<b>914,427</b>	<b>(1,301,348)</b>	<b>449,412</b>	<b>4,716,856</b>

<b>Total 31 March 2023</b>	Total 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	<b>Total 31 March 2023 £</b>
Endowment funds:					
Expendable	4,558,665	-	(38,212)	(94,014)	<b>4,426,439</b>
Permanent	55,593	-	-	(1,255)	<b>54,338</b>
Restricted funds:					
11+ Tower Hamlets Bursaries (7 years)	-	32,841	(32,841)	-	-
11+ Bursaries (5 years)	-	14,798	(14,798)	-	-
Lower Sixth Bursaries (2 years)	-	16,596	(16,596)	-	-
Sixth Form Bursaries (up to 2 years)	150,000	-	-	-	<b>150,000</b>
Sixth Form STEM Bursaries (1 or 2 years)	-	14,000	(14,000)	-	-
11+ Bursaries (7 years)	-	7,298	(7,298)	-	-
Pupils from single parent families	-	7,100	(7,100)	-	-
Existing pupils facing financial hardship	9,314	-	-	-	<b>9,314</b>
Fuel their Passions	-	5,400	-	-	<b>5,400</b>
Unrestricted fund	30,762	941,834	(963,413)	(306)	<b>8,877</b>
<b>Total funds - charity 1</b>	<b>4,804,334</b>	<b>1,039,867</b>	<b>(1,094,258)</b>	<b>(95,575)</b>	<b>4,654,368</b>

## MOVEMENT IN FUNDS OF CHARITY 2 - CLSG SCHOLARSHIPS AND PRIZES FUND

<b>Total 31 March 2024</b>	Total 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	<b>Total 31 March 2024 £</b>
Endowment funds:					
Expendable endowment	126,458	-	-	20,141	<b>146,599</b>
Unrestricted fund	9,034	5,150	(1,640)	49	<b>12,593</b>
<b>Total funds - charity 2</b>	<b>135,492</b>	<b>5,150</b>	<b>(1,640)</b>	<b>20,190</b>	<b>159,192</b>

Total 31 March 2023	Total 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total 31 March 2023 £
Endowment funds:					
Expendable endowment	128,503	-	-	(2,045)	126,458
Unrestricted fund	6,597	4,351	(1,885)	(29)	9,034
<b>Total funds - charity 2</b>	<b>135,100</b>	<b>4,351</b>	<b>(1,885)</b>	<b>(2,074)</b>	<b>135,492</b>

### Purpose of endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity.

The expendable endowment fund is invested as a capital fund to generate income for the activities of the charity, including support in the form of bursaries and other forms of financial assistance in accordance with the objectives of the charity.

### Purpose of restricted funds

The following restricted funds are held within charity 1:

11+ Tower Hamlets Bursaries (7 years) – donations were received from Tower Hill Trust to fund full or partial bursaries for one or more resident in the London Borough of Tower Hamlets in year 7 for their studies up to and including year 13.

11+ Bursaries (5 years) – donations were received from Livery Companies to fund full or partial bursaries for one or more pupils in year 7 for their studies up to and including year 11.

Lower Sixth Bursaries (2 years) – donations were received from Livery Companies to fund full or partial bursaries for one or more pupils in the lower sixth for the duration of their studies in the sixth form.

Sixth Form Bursaries (up to 2 years) – donations were received from Livery Companies to help existing pupils who otherwise would be unable to continue at the school.

Sixth Form STEM Bursaries (1 or 2 years) – donations were received from Livery Companies to fund full or partial bursaries for one or pupils in lower or upper sixth studying subjects related to science, technology, engineering or mathematics.

11+ Bursaries (7 years) – donations were received from Livery Companies to fund full or partial bursaries for one or more pupils in year 7 for their studies up to and including year 13.

Pupils from single parent families – donations were received from The Mitchell Trust to fund full or partial bursaries for pupils from single parent families.

Existing pupils facing financial hardship – donations were received to help pupils whose parents are experiencing financial difficulties to continue their education at the school.

Fuel their Passions – donations were received for extracurricular activities not covered by bursary fee support. This may include class trips, music lessons, sports equipment and other costs regularly incurred by bursary students.

#### **Purpose of unrestricted funds**

These funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the endowment funds.

## **14. NOTE TO THE STATEMENT OF CASH FLOWS**

Reconciliation of net income to net cash inflow from operating activities:

	<b>2023/24</b>	2022/23
	£	£
Net income/(expenditure) for the reporting period as per the Statement of Financial Activities	<b>86,190</b>	(149,574)
Adjustments for:		
Dividends, interest and income from investments	<b>(175,023)</b>	(176,658)
(Gains)/losses on investments	<b>(468,953)</b>	97,313
(Increase)/decrease in debtors	<b>110,985</b>	(55,659)
Increase/(decrease) in creditors	<b>28,429</b>	44,597
<b>Net cash (used in)/provided by operating activities</b>	<b>(418,372)</b>	(239,981)

#### **Analysis of cash and cash equivalents**

	<b>2023/24</b>	2022/23
	£	£
Cash in hand	<b>110,720</b>	834,798
<b>Total cash and cash equivalents</b>	<b>110,720</b>	834,798



## 15. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The Trustee of the charity	<b>146,000</b>	110,000	Match-funding of external donations up to a maximum of 1/3 of the school's support income allocation
Charities Pool	The Trustee of the charity	<b>145,858</b>	166,737	Distribution from the Charities Pool
City of London Corporation	The Trustee of the charity	<b>(38,361)</b>	(34,938)	Bursary administration costs

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAMES & NUMBERS:** City of London School for Girls Bursary Fund (276251; charity 1) incorporating City of London School for Girls Scholarships and Prizes Fund (276251-5; charity 2).

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - the Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**AUDITORS:**

Crowe U.K. LLP,

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[PA-DeputyChamberlain@cityoflondon.gov.uk](mailto:PA-DeputyChamberlain@cityoflondon.gov.uk).

The City of London Almshouses

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 1005857

The Register of Social Housing Providers

Number A2266

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## ORIGINS OF THE CHARITY

The City of London Almshouses was registered with the Charity Commission in July 1991, under the name 'City of London Almshouses Trust', under a scheme which amalgamated the following three charities:

<b>Charity name</b>	<b>History</b>
City of London Freemen's Houses	Regulated by a conveyance dated 1 January 1848 and comprised in a Scheme of the Charity Commissioners of the 19 August 1975
Roger's Almshouses	Comprised in a declaration of trust dated 15 July 1858
Brown's Gift	Regulated by declaration of trust dated 22 March 1934

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The City of London Almshouses is a registered charity and also a registered social landlord, under Section 1 (2) of the Housing Act 1996. It was registered with the Charity Commission in July 1991, under a scheme which amalgamated:

- City of London Freeman's Houses
- Rogers' Almshouses
- Brown's Gift

The Charity Commission agreed with effect from 26 July 2011 for the City of London Corporation to become the sole corporate Trustee in place of various individuals.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of The City of London Almshouses. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the Charity and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 was as follows:

The Housing Management and Almshouses Sub (Community and Children's Services) Committee of the City Corporation administers the charity on behalf of the Trustee.

The above committee is ultimately responsible to the Court of Common Council of the City of London. Matters relating to the charity are considered at committee meetings at the Trustee's discretion in public (except where it is not considered in the charity's best interest to do so), supporting a decision-making process that is clear, transparent, and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance has been undertaken and implementation of recommendations is in progress to ensure that the charity is effective in fulfilling its objectives. Reference was made to the good practices recommended within the Charity Governance Code throughout this review, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries. The Almshouses comply with the Charity Governance Code and the Governance and Viability Standard as set out by the Regulator of Social Housing.

## **OBJECTIVES AND ACTIVITIES**

The objective of the charity is the provision of Almshouses for poor or aged persons, giving preference to freemen of the City of London, their wives, widows, sons, and daughters and where practicable to married couples.

Throughout the year the Almshouse Manager actively sought new applications, reporting to Trustees on applicants who may not quite meet the criteria (for instance within a year of the age requirement) making recommendations on applicants' behalf when they filled all other criteria.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 27.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The City of London Almshouses' aims and objectives and in planning future activities. The purpose of the charity is as stated above.

Consequently, the Trustee considers that The City of London Almshouses operates to benefit the general public and satisfies the public benefit test.

### **Remuneration Policy**

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 6 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

The City's Equality Objectives were recently reviewed in accordance with the Equality Act 2010 which requires public bodies to publish equality objectives every four years. The City's Equality Objectives were approved by Policy and Resources Committee in March 2024 covering the five year period from 2024 to 2029 to coincide with the City's Corporate Plan for 2024-29.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

## **ACHIEVEMENTS AND PERFORMANCE**

In 2023/24 damp and mould surveys were carried out on all properties at the Almshouse. All damp works identified through the surveys have been completed. A joint summer picnic was held at the Almshouses for the Almsfolk and two sheltered schemes at City of London. This was very successful.

## **PLANS FOR FUTURE PERIODS**

The objectives for 2024/25 are:

- To continue to the provision of almshouses for poor or aged persons, giving preference to Freemen of the City of London, their wives, widows, sons and daughters and where practicable to married couples.
- Internal works and some external works have been completed. Further project works are planned and are in progress on site.
- Review our services at the Almshouses with other similar Almshouses to ensure we are delivering an excellent service.
- Installation of CCTV has been approved and will be installed at the Almshouses to address the ongoing problems with ABS.



# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24 the charity total income for the year was £311,890, an overall decrease of £14,451 against the previous year (2022/23: £326,341).

Income from charitable activities totalled £275,939 (2022/23: £288,762), comprising rental and service charge income.

Income from investments comprised £35,951 (2022/23: £37,579), being £25,879 from managed investments (2022/23: £30,824) and £10,072 from bank interest (2022/23: £6,755).

### Expenditure

Total expenditure for the year was £478,577 (2022/23: £348,576). Within this, charitable activities expenditure totalled £478,577 (2022/23: £348,576). The key costs are Management, Services and Routine & Planned maintenance. Expenditure on raising funds was £0 (2022/23: £0), covering the costs of interest expenses.

### Investment performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	<b>9.03%</b>	<b>7.62%</b>	14.06%	5.64%
FTSE All Share	<b>8.05%</b>	<b>5.44%</b>	13.81%	5.04%
Fund outperformance	<b>0.98%</b>	<b>2.18%</b>	0.26%	0.61%

## Funds held

The charity's total funds held decreased by £89,940 to £3,111,450 as at 31 March 2024 (2022/23: £3,201,390). Within the total funds held, £37,648 (2022/23: £37,648) represent permanent endowment funds which are held as a capital fund to generate income for the primary objectives of the charity. Restricted income funds amounted to £1,319,751 (2022/23: £1,319,751) being social housing grants which are repayable under certain circumstances, primarily following the sale of a property.

Unrestricted income funds amounted to £1,754,051 (2022/23: £1,843,991). These funds are held for use in future years in accordance with the objectives of the charity.

Details of all funds held, including their purposes, is set out within note 15 to the financial statements.

## Reserves

The Reserves Policy is to maintain the endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income together with other funds, in accordance with the objectives of the charity.

The free reserves of the charity are held to cover working capital needs. The Trustee has revised its policy in 2020/21 to meet future working capital needs. The Trustee believes that a minimum amount of £2,800 should be held at present, which will be subject to annual review. Actual free reserves (unrestricted funds not designated or tied up in fixed assets) were £992k, well above the minimum amount, and the use of these reserves will be factored into the plans for future periods, including those set out on page 4.

## Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

## Value for Money

The City of London Almshouses Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the Regulator's standard on Value for Money. This means managing resources economically, efficiently and effectively to provide quality services and homes.

The City of London Almshouses Charity is a small provider for the purposes of Value for Money Metrics. Disclosures are as follows.

Metric	2024	2023	2022
Reinvestment %	0	2.1%	0
New supply delivered	0	0	0
Gearing	N/A	N/A	N/A
EBITDA MRI Interest Cover	N/A	N/A	N/A
Headline social housing cost per unit	11,395	8,299	5,300
Operating margin	- 0.73	- 0.21	0.21
Return on Capital Employed	- 0.06	- 0.02	0.02

The City of London Almshouses” does not have any debt and as such the VFM indicators in respect of gearing and EBITDA MRI are not applicable.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity’s transactions and 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 Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. 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.

### Statement of Compliance

The Association’s governance arrangements comply with governance good practice and regulatory standards. The Association has adopted and is working towards full compliance with the NHF Code of Governance 2015. The Association complies with the Regulator of Social Housing (RSH) Governance and Financial Viability Standard.

## TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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.
- make judgements and accounting estimates that are reasonable and prudent.

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

XX December 2024

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON ALMSHOUSES

## Opinion

We have audited the financial statements of The City of London School Almshouses ('the charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and 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 31 March 2023 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers- of social housing in England 2022.

## 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 are responsible for the other information contained within the annual report. 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 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.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

## Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on pages 7 and 8, 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 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 Trustee 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 Trustee 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**

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of Social Housing 2022. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **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 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

**Crowe U.K. LLP**  
Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

XX/XX/XXXX

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>						
Charitable activities	2	275,939	-	-	<b>275,939</b>	288,762
Investments	3	35,951	-	-	<b>35,951</b>	37,579
<b>Total income</b>		311,890	-	-	<b>311,890</b>	326,341
<b>Expenditure on:</b>						
Charitable activities	4	478,577	-	-	<b>478,577</b>	348,576
<b>Total expenditure</b>		478,577	-	-	<b>478,577</b>	348,576
Net gains/(losses) on investments	10	76,523	-	-	<b>76,523</b>	(18,032)
Net gains/(losses) on short term deposit		224	-	-	<b>224</b>	(228)
<b>Net movement in investment</b>		76,747	-	-	<b>76,747</b>	(18,260)
<b>Net income/(expenditure) and net movement in funds</b>		(89,940)	-	-	<b>(89,940)</b>	(40,495)
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	1,843,991	1,319,751	37,648	<b>3,201,390</b>	3,241,885
<b>Total funds carried forward</b>	15	1,754,051	1,319,751	37,648	<b>3,111,450</b>	3,201,390

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 15 to 27 form part of these financial statements.

# BALANCE SHEET

## AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Tangible assets	9	2,196,398	2,265,423
Investments	10	855,950	779,427
<b>Total fixed assets</b>		<b>3,052,348</b>	3,044,850
<b>Current assets</b>			
Debtors	11	31,708	25,682
Cash at bank and in hand		231,769	405,860
<b>Total current assets</b>		<b>263,477</b>	431,542
<b>Creditors: Amounts falling due within one year</b>	12	<b>(66,813)</b>	(135,977)
<b>Net current assets</b>		<b>196,664</b>	295,565
<b>Total assets less current liabilities</b>		<b>3,249,012</b>	3,340,415
<b>Creditors: Amounts falling due after more than one year</b>	13	<b>(137,562)</b>	(139,025)
<b>Total net assets</b>		<b>3,111,450</b>	3,201,390
<b>The funds of the charity:</b>			
Endowment funds	15	37,648	37,648
Restricted funds	15	1,319,751	1,319,751
Unrestricted funds	15	1,754,051	1,843,991
<b>Total funds</b>		<b>3,111,450</b>	3,201,390

The notes on pages 15 to 27 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty  
Chamberlain of London and Chief Financial Officer

XX December 2024

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102 (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), the Accounting Direction for private registered providers of social housing in England 2022, the Housing and Regeneration Act and the Charities Act 2011.

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared on the going concern basis and in accordance with the historical cost convention, as modified by the valuation of investments which are held at fair value.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the Almshouses for the benefit of the public. Funding is provided from the City of London Corporation's City's Estate. On an annual basis, a medium-term financial forecast is prepared for City's Estate, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the financial position, including future income levels and the liquidity of the charity over the next 12-month period. The assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised

and in any future periods affected. Management do not consider there to be any significant management judgements and estimates made in the preparation of the financial statements.

#### **(d) Statement of Cash Flows**

As per Section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of rental and service charge income, investment income and grants.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'raising funds' and 'expenditure on charitable activities'. 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.

Support costs include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is the employee time spent on the respective services. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid.

#### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

### (i) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the cash held in this fund can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund.

**Restricted funds** – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment and from those representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

### (j) Pension Costs

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefit scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Estate and Bridge House Estates) or the trusts it supports.

The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £49.9m as at 31 March 2024 (£142.6m as at 31 March 2023). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method. The 31 March 2022 valuation was carried out in 2022/23 and has set contribution rates for the period 01 April 2023 to 31 March 2026 at 21%. Contribution rates adopted for the financial years 2020/21, 2021/22, 2022/23 and 2023/24 were set at 21%.

**(k) Tangible fixed assets**

The City of London Almshouses were erected in the mid-19<sup>th</sup> century. There is no record of the original cost and no value has therefore been attributed. The cost stated for fixed assets for land and buildings relates to subsequent improvements and refurbishments. This excludes expenditure on routine and planned repairs and maintenance of fixed assets which is charged directly within the Trust's charitable activities.

Depreciation for improvements and refurbishments to buildings is charged on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

	Years
Improvements and refurbishments to buildings	60

It is the Trust's policy to ensure that the dwellings are kept in a good standard of repair and that there are sufficient resources to meet this requirement.

**(l) Insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporations insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

**2. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Rental income	<b>201,160</b>	215,373
Service charges	<b>73,316</b>	71,926
Deferred income from Gresham Lease	<b>1,463</b>	1,463
<b>Total</b>	<b>275,939</b>	288,762

The void losses incurred in 2023/24 is £107,770.96.

**3. INCOME FROM INVESTMENTS**

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Investment income	<b>25,879</b>	30,824
Interest	<b>10,072</b>	6,755
<b>Total</b>	<b>35,951</b>	37,579

## 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds			Unrestricted funds		
	Direct costs £	Support costs £	Total 2023/24 £	Direct costs £	Support costs £	Total 2022/23 £
<b>Almshouses running costs</b>						
Management	-	161,438	<b>161,438</b>	-	123,668	123,668
Services	136,371	-	<b>136,371</b>	118,210	-	118,210
Routine maintenance	149,097	-	<b>149,097</b>	65,271	-	65,271
Planned maintenance	11,579	-	<b>11,579</b>	20,145	-	20,145
Contributions to Funds and Provisions	635	-	<b>635</b>	3,482	-	3,482
Depreciation of housing properties	19,457	-	<b>19,457</b>	17,800	-	17,800
<b>Total</b>	<b>317,139</b>	<b>161,438</b>	<b>478,577</b>	<b>224,908</b>	<b>123,668</b>	<b>348,576</b>

Within charitable activities are the services costs, comprised of:

	2023/24 £	2022/23 £
Lighting	<b>5,865</b>	5,920
Matrons	<b>41,420</b>	53,860
Window Cleaning	<b>1,060</b>	471
Water Rates	<b>1</b>	(68)
Groundsman	<b>53,094</b>	25,471
Rent	<b>7,185</b>	6,858
Council Tax	<b>27,746</b>	24,618
Pest Control	-	1,080
<b>Total</b>	<b>136,371</b>	<b>118,210</b>

## 5. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2023/24 £	2022/23 £
Audit fees	-	6,930	<b>6,930</b>	5,500
Central support	12,000	-	<b>12,000</b>	12,000
Legal fees	1,602	-	<b>1,602</b>	17,003
Other Management costs	140,906	-	<b>140,906</b>	89,165
Sub-total	154,508	6,930	<b>161,438</b>	123,668
Reallocation of governance costs	6,930	(6,930)	-	-
<b>Total</b>	<b>161,438</b>	<b>-</b>	<b>161,438</b>	123,668

All support costs are undertaken from unrestricted funds and allocated based on the proportion relating to direct activities.

## 6. STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 2.01 (2022/23: 2.07).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2023/24 £	2022/23 £
Salaries and wages	<b>75,488</b>	59,564
National Insurance costs	<b>6,119</b>	6,653
Employer's pension contributions	<b>12,907</b>	13,114
<b>Total emoluments of employees</b>	<b>94,514</b>	79,331

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee. The number of directly charged employees whose emoluments (excluding employer's pension contribution) for the year were over £60,000 was nil (2022/23: nil). The charity does not have a Chief Executive.

## 7. AUDITOR'S REMUNERATION

Crowe U.K. LLP are the auditors of the City of London City's Estate Fund and provide assurance services to all of the different charities of which it is Trustee. In 2023/24 an audit fee of £6,930 was recharged (2022/23 £5,500). No other services were provided to the charity by its auditors during the year (2022/23: £nil).



## 8. TRUSTEE EXPENSES

The Members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Work in Progress £	Total £
<b>Cost</b>			
At 1 April 2023	2,456,573	-	<b>2,456,573</b>
Additions	(2,110)	-	<b>(2,110)</b>
At 31 March 2024	2,454,463	-	<b>2,454,463</b>
<b>Depreciation</b>			
At 1 April 2023	191,150	-	<b>191,150</b>
Charge for the year	19,457	-	<b>19,457</b>
At 31 March 2024	210,607	-	<b>210,607</b>
<b>Net book value</b>			
<b>At 31 March 2024</b>	2,196,398	-	<b>2,243,856</b>
At 31 March 2023	2,265,423	-	<b>2,265,423</b>

The number of units supported social housing accommodation under management at 31 March 2024 was 42. (2023: 42)

## 10. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	2024 £	2023 £
Market value 1 April	779,427	797,459
Gain/(loss) for the year	76,523	(18,032)
<b>Market value 31 March</b>	<b>855,950</b>	<b>779,427</b>
<b>Cost 31 March</b>	<b>417,370</b>	<b>417,370</b>
Units held in Charities Pool	<b>86,077</b>	86,077

The type of listed investments held as at 31 March was as follows:

	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	£	£
Equities	<b>813,963</b>	738,491
Pooled Units	<b>31,927</b>	25,539
Cash held by Fund Manager	<b>10,060</b>	15,397
<b>Total</b>	<b>855,950</b>	779,427

## 11. DEBTORS

	<b>2024</b>	2023
	£	£
Other debtors	<b>31,708</b>	25,682

## 12. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>2024</b>	2023
	£	£
Trade creditors	27,049	34,026
Deferred income	37,307	29,167
Accruals	2,457	72,784
<b>Total</b>	<b>66,813</b>	135,977

## 13. CREDITORS – AMOUNTS DUE AFTER MORE THAN ONE YEAR

	<b>2024</b>	2023
	£	£
Deferred income	<b>137,562</b>	139,025
<b>Total</b>	<b>137,562</b>	139,025

	<b>2024</b>	2023
	£	£
<b>Deferred income analysis within creditors:</b>		
Balance at 1st April	<b>139,025</b>	140,488
Amounts released to income	<b>(1,463)</b>	(1,463)
Balance at 31 March	<b>137,562</b>	139,025

## Deferred income: lease to Gresham Almshouses

The City of London Almshouses (CoLA) owns the site. An agreement was entered into with Gresham Almshouses operated by the Sir Thomas Gresham Charity (charity number 221982) dated 7 December 1994 for the lease of the site for the next 125 years for the sum of £180,000. The deferred income is recognised on a straight-line basis to the end of the term in 2118/19, with the remaining value recorded as a long-term creditor.

## 14. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024

	Unrestricted funds		Restricted funds	Endowment funds	Total at 31 March 2024	Total at 31 March 2023
	General funds	Designated funds				
	£	£	£	£	£	£
Tangible fixed assets	255,729	620,918	1,319,751	-	<b>2,196,398</b>	2,265,423
Fixed assets - investments	665,291	190,659	-	-	<b>855,950</b>	779,427
Current assets	225,829	-	-	37,648	<b>263,477</b>	431,542
Total liabilities	(204,375)	-	-	-	<b>(204,375)</b>	(275,002)
<b>Total</b>	<b>942,474</b>	<b>811,577</b>	<b>1,319,751</b>	<b>37,648</b>	<b>3,111,450</b>	<b>3,201,390</b>

At 31 March 2023

	Unrestricted funds		Restricted funds	Endowment funds	Total at 31 March 2023	Restated
	General funds	Designated funds				Total at 31 March 2022
	£	£	£	£	£	£
Tangible fixed assets	302,097	643,575	1,319,751	-	2,265,423	2,233,655
Fixed assets - investments	600,861	178,566	-	-	779,427	797,459
Current assets	393,894	-	-	37,648	431,542	723,121
Total liabilities	(275,002)	-	-	-	(275,002)	(512,350)
<b>Total</b>	<b>1,021,850</b>	<b>822,141</b>	<b>1,319,751</b>	<b>37,648</b>	<b>3,201,390</b>	<b>3,241,885</b>

## 15. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2024 £
Endowment funds:						
Permanent endowment	37,648	-	-	-	-	37,648
Restricted funds:						
Social Housing Grant	1,319,751	-	-	-	-	1,319,751
Unrestricted funds:						
General funds	1,021,850	311,890	(478,577)	64,654	22,657	942,474
Designated funds:						
Cyclical repairs	36,000	-	-	-	-	36,000
Capital reserves fund	643,575	-	-	-	(22,657)	620,918
Extraordinary repairs	142,566	-	-	12,093	-	154,659
<b>Total unrestricted funds</b>	<b>1,843,991</b>	<b>311,890</b>	<b>(478,577)</b>	<b>76,747</b>	<b>-</b>	<b>1,754,051</b>
<b>Total funds</b>	<b>3,201,390</b>	<b>311,890</b>	<b>(478,577)</b>	<b>76,747</b>	<b>-</b>	<b>3,111,450</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Transfers £	Total as at 31 March 2023 £
Endowment funds:						
Permanent endowment	37,648	-	-	-	-	37,648
Restricted funds:						
Social Housing Grant	1,319,751	-	-	-	-	1,319,751
Unrestricted funds:						
General funds	1,059,496	326,341	(348,576)	(15,411)	-	1,021,850
Designated funds:						
Cyclical repairs	36,000	-	-	-	-	36,000
Capital reserves fund	643,575	-	-	-	-	643,575
Extraordinary repairs	145,415	-	-	(2,849)	-	142,566
<b>Total unrestricted funds</b>	<b>1,884,486</b>	<b>326,341</b>	<b>(348,576)</b>	<b>(18,260)</b>	<b>-</b>	<b>1,843,991</b>
<b>Total funds</b>	<b>3,241,885</b>	<b>326,341</b>	<b>(348,576)</b>	<b>(18,260)</b>	<b>-</b>	<b>3,201,390</b>

### Purpose of endowment funds

The permanent endowment is held to generate income that is accounted for within the unrestricted funds. This original permanent endowment can only be used at the winding up of the Trust.

### Purpose of the restricted funds

#### Social Housing Grant

Social Housing Grants are repayable under certain circumstances, primarily following the sale of a property.

Included in the movement in Funds Analysis above is £1,319,751 in respect of social housing grant. This represents the total cumulative government grant receivable all of which has been recognized through the Statement of Comprehensive Income.

### **Purpose of the unrestricted funds**

The general fund comprises the accumulation of income surpluses as a result of unspent investment and other income. Any undistributed annual income is held for use in future years in accordance with the objectives of the Trust.

### **Purpose of the designated funds**

Those unrestricted funds that have been set aside by the Trustee for specific purposes, as follows:

#### **Cyclical repairs**

Provision for future repainting, consists of yearly transfers from the revenue account based on the expected cost of repainting and transferred out to the revenue account in the year when cost arises.

#### **Extraordinary repairs**

To fund the future extraordinary repair, improvement or rebuilding of the Trust's property, consisting of yearly transfers based on income generated from investments alongside any increase or decrease in the market value of the investments representing this reserve.

## **16. RELATED PARTY TRANSACTIONS**

The City Corporation acting by the Court of Aldermen is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

<b>Related party</b>	<b>Connected party</b>	<b>2023/24</b> £	<b>2022/23</b> £	<b>Detail of transaction</b>
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>25,879 (nil)</b>	30,824 (nil)	Distribution from the Charities Pool
Sir Thomas Gresham Charity (221982)	The City of London Corporation is the Trustee for the charity	<b>1,463 (137,562)</b>	1,463 (139,025)	Sir Thomas Gresham Charity entered into a 125 year lease of the site from COLA as per the agreement dated 7 December 1994

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** The City of London Almshouses

Registered charity number: 1005857

The Register of Social Housing Providers Number: A2266

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**AUDITORS:**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management LLP, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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# CLS Bursary and Awards Fund

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 276654

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## **ORIGINS OF THE CHARITY**

The City of London School Bursary Fund charity, and the various individual governing documents of City of London School Scholarships and Prizes Fund, were registered on 22 September 1978. The governing documents were replaced on 4 November 2011 by the governing scheme approved by The Charity Commission for England and Wales.

The Charity Commission granted a further scheme on the 22 December 2020, which altered and amended the 2011 scheme to merge the Funds, the City of London School Bursary Fund, and the City of London School Scholarships and Prizes Fund, to create a single fund with consolidated objectives, known as the CLS Bursary and Awards Fund.

# **TRUSTEE'S ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

The governing document for the CLS Bursary and Awards Fund (charity registration: 276654), is the amending Scheme approved by The Charity Commission for England on 22 December 2020. This Scheme replaced the governing scheme approved by the Charity Commission for England and Wales on 4 November 2011.

### **GOVERNANCE ARRANGEMENTS**

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of the CLS Bursary and Awards Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to the Board of Governors of the City of London School. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid for support provided to the charity, and are elected by the electorate of the City of London

The key Committee which has responsibility for directly managing matters related to the charity is the Board of Governors of the City of London School, which is ultimately responsible to the Court of Common Council of the City of London.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review has been carried out to ensure that the charity is effective in fulfilling its objectives, with governance changes made and operational recommendations in progress. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review to ensure regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

### **OBJECTIVES AND ACTIVITIES**

The City of London School was established by Act of Parliament in 1834 although it can trace its history back to the 15th century. It aspires to be a School that fully prepares respectful, optimistic and inquisitive pupils for the rapidly changing demands of the twenty-first century. The School aims to provide an education in the broadest sense, combining academic excellence with exceptional pastoral care, framed by an outward-looking and forward-thinking approach. It also strives to make that education available to as many talented pupils as possible. Boys are admitted at 10+, 11+, 13+ and 16 and normally remain until 18 years of age.

The objective of the charity is the promotion of education (including physical education) by the provision of:

- (a) 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; and
- (b) scholarships, prizes or other suitable rewards or marks of distinction to pupils and former pupils of the School and pupils of other schools with whom the school has cooperated under clause 4(14) of the governing document.

## **INVESTMENT POLICY**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 18.

## **POLICY ON GRANT MAKING**

The charity has established their grant making policy to achieve their objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. The assessment, management and oversight of the charity's grant making is provided by the City of London School, which is part of the City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the Beneficiaries.

## **PUBLIC BENEFIT STATEMENT**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CLS Bursary and Awards Fund's aims and objectives and in planning future activities. The purposes of the charity are as stated above.

Consequently, the Trustee considers that the CLS Bursary and Awards Fund operates to benefit the general public and satisfy the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 18.

## **ACHIEVEMENTS AND PERFORMANCE**

The target for 2023/24 was to continue to contribute towards fees of pupils at the City of London School where financial hardship would cause the pupil to be unable to enter or continue at the School. In line with this, 8 bursaries (2022/23: 4 bursaries) were awarded during the year amounting to £147,250 (2022/23: £65,628).

## **PLANS FOR FUTURE PERIODS**

The objective for future periods is to continue to contribute towards the tuition fees payable to the City of London School for pupils who, but for financial assistance, would not be able to continue at or enter the School.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 11.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2023/24, the charity's total income for the year was £139,743, an overall reduction of £14,230 against the previous year (2022/23: £153,973).

The key contributor to income was from investments, made up of investment income of £125,333 (2022/23: £149,282) from funds held in the Charities Pool.. Performance is expected to recover in the medium term. Income is also comprised of £14,410 (2022/23: £4,691) from interest on cash balances, an increase from the prior year due to favourable interest rates.

### Expenditure

Total expenditure for the year was £153,918 (2022/23: £72,274), of which £147,250 was bursary awards, with £6,668 of support costs (2022/23: £65,628 was bursary awards, with £6,646 of support costs).

### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	<b>9.03%</b>	<b>7.62%</b>	14.06%	5.64%
FTSE All Share	<b>8.05%</b>	<b>5.44%</b>	13.81%	5.04%
Fund outperformance	<b>+0.98%</b>	<b>+2.18%</b>	+0.25%	+0.60%

### Funds held

The charity's total funds held increased by £356,743 to £4,408,353 as at 31 March 2024 (2022/23: total funds held reduced by £5,584 to £4,051,610).

Within the total funds held, £4,165,491 (2022/23: £3,806,634) represent permanent and expendable endowment funds. The permanent endowment is held to generate income that is accounted for within unrestricted income funds for the primary objectives of the charity.

Unrestricted income was made up of Investment income of £125,333 (2022/23: £149,282) and interest of £14,410 (2022/23: £4,691), with unrestricted expenditure of £153,918 (2022/23: £72,274). The unrestricted general funds held were £242,862

(2022/23: £244,976). Any undistributed income is held for use in future years in accordance with the objectives of the charity.

Details of the funds held, including their purpose, are set out within note 10 to the financial statements.

### **Reserves policy**

The reserves policy is to maintain the restricted and endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income together with other funds, in accordance with the objectives of the charity. The Trustee also has the discretion to distribute the expendable endowment, in addition to the unrestricted fund, as bursaries, prizes and other forms of financial assistance should they deem this is appropriate. The Trustee believes that an amount of at least £7,000 should be held at present to meet future working capital needs, representing 12 months of administration and independent examination fees. Current free reserves held are £242,862, being unrestricted general funds; this is above the minimum level required and is being factored into plans for future periods including those noted on page 5.

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of their strategies to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which identifies the potential impact of key risks and the measures which are in place to mitigate such risks.



## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Adopted and signed for on behalf of the Trustee.



Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

7<sup>th</sup> October 2024

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE CLS BURSARY AND AWARDS FUND

I report to the Trustee on my examination of the accounts of CLS Bursary and Awards Fund for the year ended 31 March 2024 which are set out on pages 9 to 17.

This report is made solely to the charity's Trustee, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's Trustee as a body for my independent examiner's work, for this report, or for the opinions I have formed.

## Responsibilities and basis of report

As the charity Trustee of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

				2023/24	2022/23
	Notes	Unrestricted Funds	Endowment Funds	Total Funds	Total Funds
		£	£	£	£
<b>Income and endowments from:</b>					
Investments	2	139,744	-	<b>139,744</b>	153,973
<b>Total income</b>		<b>139,744</b>	<b>-</b>	<b>139,744</b>	<b>153,973</b>
<b>Expenditure on:</b>					
Charitable activities	3, 4	153,918	-	<b>153,918</b>	72,274
<b>Total expenditure</b>		<b>153,918</b>	<b>-</b>	<b>153,918</b>	<b>72,274</b>
Net gain on investments	7	11,741	358,857	<b>370,598</b>	(87,125)
Fair Value Movements		320	-	<b>320</b>	(158)
<b>Net income/(expenditure) and net movement in funds</b>		<b>(2,114)</b>	<b>358,857</b>	<b>356,744</b>	<b>(5,584)</b>
<b>Reconciliation of total funds:</b>					
Brought forward	9,10	244,976	3,806,634	<b>4,051,610</b>	4,057,194
<b>Carried forward</b>	<b>9,10</b>	<b>242,862</b>	<b>4,165,491</b>	<b>4,408,354</b>	<b>4,051,610</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 11 to 17 form part of these financial statements.

# BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Investments	7	4,145,356	3,774,758
<b>Total fixed assets</b>		<b>4,145,356</b>	<b>3,774,758</b>
<b>Current assets</b>			
Cash at bank and in hand		315,988	298,728
Debtors		-	-
<b>Total current assets</b>		<b>315,988</b>	<b>298,728</b>
<b>Creditors: Amounts falling due within one year</b>	8	<b>(52,990)</b>	<b>(21,876)</b>
<b>Net current assets</b>		<b>262,998</b>	<b>276,852</b>
<b>Total net assets</b>		<b>4,408,354</b>	<b>4,051,610</b>
<b>The funds of the charity:</b>			
Expendable Endowment funds		3,859,160	3,500,303
Permanent Endowment Funds		306,331	306,331
Unrestricted funds		242,863	244,976
<b>Total funds</b>	9,10	<b>4,408,354</b>	<b>4,051,610</b>

The notes on pages 11 to 17 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London & Chief Financial Officer

7<sup>th</sup> October 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity aims to only spend the income that is generated from donations and investments, so maintaining its capital base.

In making this assessment, the Trustee has considered the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due.

The policy of aiming to only approving commitments from available income provides the flexibility to ensure the long-term viability of the charity. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

## 1. ACCOUNTING POLICIES (CONTINUED)

estimate is revised and in any future periods affected. Management do not consider there to be any material judgements or estimates included in the financial statements.

### (d) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

### (e) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, investment income and interest.

### (f) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff.

Officers of the City Corporation provide administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek full reimbursement for the administration incurred from each of its charities.

### (g) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### (h) Investments

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

## 1. ACCOUNTING POLICIES (CONTINUED)

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

### (i) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the expendable endowment fund. Gains/losses on the underlying assets remain as part of the endowment.

**Expendable endowment fund** – this fund consists of funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity.

**Unrestricted general funds** - these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent and expendable endowment funds.

### (j) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Estate.

## 2. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Investment income	<b>125,333</b>	149,282
Interest	<b>14,411</b>	4,691
<b>Total</b>	<b>139,744</b>	153,973

### 3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds		Total	Total
	Direct costs	Support costs	2023/24	2022/23
	£	£	£	£
Bursaries awarded	147,250	6,668	<b>153,918</b>	72,274
<b>Total</b>	<b>147,250</b>	<b>6,668</b>	<b>153,918</b>	72,274

Charitable activities consist of 8 bursaries (2022/23: 4).

### 4. ANALYSIS OF SUPPORT COSTS

	Charitable activities	Governance costs	Total	Total
	£	£	2023/24	2022/23
	£	£	£	£
Management & administration fees	4,726	-	<b>4,726</b>	4,646
Auditor's fees	-	1,943	<b>1,943</b>	2,000
<b>Sub-total</b>	<b>4,726</b>	<b>1,943</b>	<b>6,668</b>	6,646
Reallocation of governance costs	1,943	(1,943)	-	-
<b>Total support costs</b>	<b>6,668</b>	-	<b>6,668</b>	6,646

### 5. INDEPENDENT EXAMINER'S REMUNERATION

From 2021/22, the City Corporation, as Trustee, seeks reimbursement for the fee incurred for the examination of each of its charities, which was previously funded by City's Estate. In 2023/24 a £1,943 independent examiner's fee was recharged (2022/23: £2,000).

No other services were provided to the charity by its examiners during the year.

### 6. TRUSTEE'S EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).



## 7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>Total 2023/24 £</b>	<b>Total 2022/23 £</b>
Market value 1 April	<b>3,774,758</b>	3,861,883
Gain/Loss for the year	<b>370,598</b>	(87,125)
<b>Market value 31 March</b>	<b>4,145,356</b>	3,774,758
<b>Total cost 31 March</b>	<b>2,245,793</b>	2,245,793
Total units held in Charities Pool	<b>416,870</b>	416,870

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

	Held in the UK £	Held outside the UK £	<b>Total at 31 March 2024 £</b>	Held in the UK £	Held outside the UK £	<b>Total at 31 March 2023 £</b>
Equities	3,487,745	454,074	<b>3,941,819</b>	3,063,011	513,497	3,576,508
Pooled Units	154,622	-	<b>154,622</b>	123,684	-	123,684
Cash held by Fund Manager	48,915	-	<b>48,915</b>	74,566	-	74,566
<b>Total</b>	<b>3,691,281</b>	<b>454,074</b>	<b>4,145,356</b>	<b>3,261,261</b>	<b>513,497</b>	<b>3,774,758</b>

## 8. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>Total at 31 March 2024 £</b>	<b>Total at 31 March 2023 £</b>
Bursaries awarded	<b>52,990</b>	21,876
<b>Total</b>	<b>52,990</b>	21,876

## 9. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2024	Endowment			Total at 31 March 2024 £	Total at 31 March 2023 £
	Unrestricted funds £	Permanent Funds £	Expendable Funds £		
	Fixed assets - investments	129,620	306,331		
Current assets	113,243	-	202,745	<b>315,988</b>	298,728
Current liabilities	-	-	(52,990)	<b>(52,990)</b>	(21,876)
<b>Total</b>	242,863	306,331	3,859,160	<b>4,408,354</b>	4,051,610

At 31 March 2023	Endowment			Total at 31 March 2023 £	Total 31 March 2022 £
	Unrestricted funds £	Permanent Funds £	Expendable Funds £		
	Fixed assets - investments	118,032	306,331		
Current assets	126,944	-	171,784	298,728	254,096
Current liabilities	-	-	(21,876)	(21,876)	(58,785)
<b>Total</b>	244,976	306,331	3,500,303	4,051,610	4,057,194

## 10. MOVEMENT IN FUNDS

At 31 March 2024	Total at 31 March 2023 £	Income £	Expenditure £	Gain £	Fair value	Total at 31 March 2024 £
	Endowment funds:					
Expendable	3,500,303	-	-	358,857	-	<b>3,859,160</b>
Permanent	306,331	-	-	-	-	<b>306,331</b>
						-
Unrestricted funds:						
Designated funds	121,228	-	-	11,741	-	<b>132,969</b>
General funds	123,748	139,744	(153,918)	-	320	<b>109,894</b>
<b>Total funds</b>	4,051,610	139,744	(153,918)	370,598	320	<b>4,408,354</b>

At 31 March 2023	Total 31 March 2022 £	Income £	Expenditure £	Gain £	Fair value	Total at 31 March 2023 £
	Endowment funds:					
Expendable	3,577,634	-	-	(77,331)	-	3,500,303
Permanent	313,401	-	-	(7,070)	-	306,331
						-
Unrestricted funds:						
Designated funds	123,952	-	-	(2,724)	-	121,228
General funds	42,207	153,973	(72,274)	-	(158)	123,748
<b>Total funds</b>	4,057,194	153,973	(72,274)	(87,125)	(158)	4,051,610

### Purpose of endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity.

The expendable endowment fund is invested as a capital fund to generate income for the activities of the charity, including support in the form of bursaries and other forms of financial assistance in accordance with the objectives of the charity.

### Purpose of unrestricted income funds

A designated fund is held by the charity, being the bequest from the estate of Rodney FitzGerald. The purpose of this designation is to provide support in the form of bursaries to students with sporting ability.

The unrestricted general funds held within the charity can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent and expendable endowment funds.

## 11. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24		2022/23		Detail of transaction
		£	(nil)	£	(nil)	
Charities Pool	The Trustee of the charity	125,333	(nil)	149,282	(nil)	Distribution from the Charities Pool
City of London Corporation	The Trustee of the Charity	(6,668)	(nil)	(6,646)	(nil)	Support Costs

## REFERENCE AND ADMINISTRATION DETAILS

### CHARITY NAME & NUMBER:

CLS Bursary and Awards Fund (276654).

### PRINCIPAL OFFICE OF THE CHARITIES & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

### TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

### SENIOR MANAGEMENT:

#### Chief Executive

Ian Thomas CBE - the Town Clerk and Chief Executive of the City of London Corporation

#### Treasurer

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

#### Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

### INDEPENDENT EXAMINERS:

Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW

### BANKERS:

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

### INVESTMENT ADVISORS:

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

# City Educational Trust Fund

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 290840

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## **ORIGINS OF THE CHARITY**

The charity was established by section 25 of the City of London Various Powers Act 1967 which declared that the previous Coal Market Fund (holding the balance of funds remaining in respect of the appropriation of the City of London Coal Market to other purposes when that market ceased to exist) and designated the “City Educational Trust Fund”, was under that Act designated the “City Educational Trust Fund”. Further, from the passing of the Act on 20 December 1967 the Act provided that the fund was to be held by the City Corporation acting by the Common Council, and the capital and interest applied for specified charitable purposes for the advancement of education.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

This Trust was constituted by section 25 of the City of London Various Powers Act 1967 as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a corporation by prescription, is the Trustee of the City Educational Trust Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the City Educational Trust Fund and are elected by the electorate of the City of London. The Education Board (a committee of the Court of Common Council) has principal responsibility for administering the charity for the Trustee under the City Corporation's usual corporate governance and delegation framework. The Education Board comprises Aldermen and Commoners appointed to the committee in accordance with the usual procedures for committee membership. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- Education Board and Education Charity Sub (Education Board) Committee - responsible for reviewing the charitable activities and instigating any changes to the administrative arrangements which are considered necessary to maximise the effectiveness of the charity and ensure compliance with the City Corporation's duties as Trustee:
- Audit & Risk Management Committee – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- Finance Committee – responsible for approval of the Annual Report and Financial Statements.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent, and publicly accountable.



The Trustee believes that good governance is fundamental to the success of the charity. Following a comprehensive governance review, during which reference was made throughout to the good practices recommended in the Charity Governance Code, a significant new strategic grant making, and administration programme is now in place, ensuring that the charity is compliant with regulations and efficient and effective in maximising impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The purposes for which the City Educational Trust Fund was established under section 25 of the City of London Various Powers Act 1967 declared that the capital and interest of the fund shall be applied by the City of London Corporation as it thinks fit, for one or more of the following purposes as it may from time to time determine:

- (1) for the advancement of the objects of the City University constituted by Royal Charter granted on 24 May 1966, or any of such objects or for other educational purposes connected with, or related to the said university; and
- (2) without prejudice to the generality of the foregoing paragraph, for the advancement of education in science and technology, business management and commerce by the promotion of research, study, teaching and training in and of such subjects, or any of them, or without prejudice to the generality of the foregoing, for the advancement of the study and teaching biology and ecology, or for the advancement of research, study and teaching in and of the cultural arts.

## **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 19.

## **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the City Educational Trust Fund's aims and objectives and in planning future activities. The purposes of the charity are: to advance the objects of the City University or any such objects for educational purposes connected with or related to said university, and to advance education in science and technology, business management and commerce by promoting research, study teaching and training in biology, ecology or the advancement of research and teaching of the cultural arts.

Consequently, the Trustee considers that the City Educational Trust Fund operates to benefit the public and satisfies the public benefit test.

## **Policy on grant making**

The charity has established its grant making policy to achieve its objects, as laid out above, for the public benefit. There is a partnership in place, which was assessed by adequate and appropriate resources which ensured the activities matched the charity's criteria. These guidelines are available from the e-mail address mentioned on page 19. The assessment, management and oversight of the charity's grant making is provided by the Central Grants Unit (CGU) within the Town Clerk's department, which is an internal department of The City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the beneficiaries.

The Trustee has approved a proposal whereby the charity is engaging in a significant strategic grant making exercise to distribute its remaining funds held ahead of closure. The CGU have worked to identify an appropriate partner with whom this strategic grant making can be delivered, and commitments of funds are being considered alongside this decision and against the size of the remaining funds to be distributed, rather than via open grant making exercises.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 19.

## **ACHIEVEMENTS AND PERFORMANCE**

Since the successful completion of the pilot phase project in February 2023 by “A New Direction” (charity no. 1126216), it was agreed that the CETF would work with them to deliver project plan for delivery across three academic years. To enable this, a £650,000 funding was approved by the Education Board at its meeting in April 2023 to deliver the pilot phase to build London’s primary school teaching staffs’ access to cultural arts opportunities to develop their teaching in and of the cultural arts and inspire children’s enthusiasm for learning and build their cultural arts education.

Since the meeting of the Education Board in April 2023, A New Direction has been working on development and delivery of the pilot, which will run until June 2024. The pilot has enabled the funded organisation to build a full cultural arts programme offering to primary school teachers and pupils that has been developed through consultation and research which aligns with our charity’s objects and the terms of our grant.

The programme consists of five strands: Culture Education Leadership Programme (CELP), In-Schools Touring, Masterclasses, Come and Try, Go & See (teaching), Go & See (pupils). The pilot has provided an opportunity to test these strands, gauge appetite and analyse how it can be rolled out for full-scale delivery. Delivery of these strands was early in the delivery stage (running from January 2024 – July 2024), the full project will be dynamic and adaptive dependent on outputs/outcomes throughout. Interim reporting under the delivery phase has informed the assessment of the proposal for further funding.

A New Direction has developed an evaluation for each programme strand along with an overarching Theory of Change (ToC) that will sit across the full programme. Short and medium outcomes will be evaluated on an ongoing basis across pupils, teaching staff and cultural partners using inclusive methodologies (surveys, observations, interviews, creative sessions) dependent on the programme strand, to ascertain whether indicators have been reached – evaluations will be led by the evaluator and/or via teaching staff or cultural partners. The evaluation and analysis of this work further the CETF’s objects of research within cultural arts.

A New Direction attended a number of Education Board Meetings in the year to ensure Members were kept up to date on this significant piece of work.

## **PLANS FOR FUTURE PERIODS**

At the Education Board in April 2024 funding of £3,649,988 was agreed for A New Direction to deliver the full programme across four years to build London’s primary school teaching staffs’ access to cultural arts opportunities to develop their teaching in and of the cultural arts and inspire children’s enthusiasm for learning and build their cultural arts education.

A New Direction will focus on engaging with teaching staff and pupils from EYFS to KS2, with an inclusive SEND offer, working across all subject areas in every London borough and the City of London. This programme will be openly advertised across primary schools in the capital and is already generating considerable interest.

The full project has been assessed as meeting the objects of the CETF - for the public benefit for the advancement of research, study and teaching in and of the cultural arts - providing both primary school teachers and pupils with an opportunity to develop their study of and in the cultural arts, empowering teachers to develop and deliver a creative curriculum that enhances educational opportunities.

An opportunity to disseminate learning from the programme has been built into the final year, furthering the research element of the charity's objects.

The Central Grants Unit now has an expanded remit delivering Charitable Funding programmes on behalf of the City of London while managing 6 of its Charities. Ongoing the Unit will be referred to as the Central Funding and Charity Management Team (CFCMT). A New Direction will remain in regular communication with Officers from the CFCMT and the Education Strategy Unit, updating on delivery and ensuring the work being funded continues to further the CETF's objects, and meets the objectives of the approved project and the terms of the grant agreement. A New Direction will be asked to provide an update for Members on a Termly basis.

The project will be completed in 2027/28 enabling the CETF to be closed once all monies have been spent in accordance with the decisions already taken by the Trustee.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 13.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity's total income for the year was £139,873, an overall decrease of £19,751.0 from the previous year (2022/23: £159,624), due to a fall in investment income yields in the year. All income received was from investments.

#### Expenditure

Total expenditure for the year was £683,133 (2022/23: £78,990), comprising grant commitments of 650,000 for 2023/24 (2022/23: £50,000) and support costs of £33,133 recharged by the City of London Corporation for the administration of the charity (2022/23: £28,990). The increase in expenditure was due to the administration of the new strategic grant making programme and the new awarded "A New Direction" grant, resulting in increased staff costs and one new grant commitment in the year to the charity.

#### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +2.22% which was below the FTSE All Share Index benchmark return of +2.92% (2022/23: the investment strategy gained +11.1% versus +13.0% from the benchmark). However, over the longer-term three and five year horizon, performance of the Charities Pool investments, as displayed in the table below, was above benchmark. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined

with long-term capital growth. The Fund invests in UK equities and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
City of London Charities Pool	9.03%	7.62%	14.06%	5.64%
FTSE All Share	8.05%	5.44%	13.81%	5.04%
Fund outperformance	+0.98%	+2.18%	+0.26%	+0.61%

## Funds held

The charity's total funds held decreased by 0.38% to £4,174,314 as at 31 March 2024 (2022/23: £4,340,407). Within the total funds held, £4,272,958 (2022/23: £3,896,067) represent expendable endowment funds which are held to generate income for the primary objectives of the charity. Any income arising from the endowment is accounted for within unrestricted funds. Unrestricted income funds amounted to (£98,644) (2022/23: £444,340). This was mainly because 650k was expanded to the new grant awarded in 2023/24. The committee have also approved a drawdown of £1.1m in April 2024 to fill this gap and to cover the first year of Strategic Funding.

Details of all funds held, including their purposes, is set out in Note 11 of the financial statements.

## 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 use the investment income in accordance with the objectives of the charity. The Trustee has the discretion to distribute the expendable endowment as grants as deemed appropriate. The free reserves of the charity are held to cover working capital needs.

The Trustee believes that a minimum amount of £28,000 to cover support costs should be held as working capital at present; this will be subject to annual review. At 31 March 2024, the charity held (£98,644) as free reserves and drawdown of £1.1m expected in April 2024. It is planned that any excess free reserves will be spent as part of the strategic grant making programme over the next 3 years with the charity ultimately distributing all its funds before closing.

## Principal Risks and Uncertainties

As part of the wider work of the Corporate Charity Review, risk registers have been developed and reported to the relevant Committees acting as Trustee. The City Educational Trust Fund has a risk register which is monitored by officers and reported to Committee when updates on the Charity are tabled, at least annually.

## TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Guildhall, London

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

December 2024

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF CITY EDUCATIONAL TRUST FUND

I report to the trustees on my examination of the accounts of City Educational Trust Fund for the year ended 31 March 2024 which are set out on pages 11 to 18.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

## **Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW



# STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>					
Investments	2	139,873	-	<b>139,873</b>	159,624
<b>Total income</b>		139,873	-	<b>139,873</b>	159,624
<b>Expenditure on:</b>					
Charitable activities	3	683,133	-	<b>683,133</b>	78,990
<b>Total expenditure</b>		683,133	-	<b>683,133</b>	78,990
Net (losses)/gains on investments	8	-	376,891	<b>376,891</b>	(88,811)
Net (losses) on short term deposit		276	-	<b>276</b>	(264)
<b>Net income and net movement in funds</b>		(542,984)	376,891	<b>(166,093)</b>	(8,441)
<b>Net movement in funds</b>		(542,984)	376,891	<b>(166,093)</b>	(8,441)
<b>Reconciliation of funds:</b>					
Total funds brought forward	11	444,340	3,896,067	<b>4,340,407</b>	4,348,848
<b>Total funds carried forward</b>	11	(98,644)	4,272,958	<b>4,174,314</b>	4,340,407

The above results were derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The Notes on pages 11 to 19 form part of these financial statements.

**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets</b>			
Investments	8	4,215,749	3,838,858
<b>Total fixed assets</b>		<b>4,215,749</b>	<b>3,838,858</b>
<b>Current assets</b>			
Cash at bank and in hand		(41,435)	501,549
<b>Total current assets</b>		<b>(41,435)</b>	<b>501,549</b>
<b>Creditors: Amounts falling due within one year</b>			
	9	-	-
<b>Net current assets</b>		<b>(41,435)</b>	<b>501,549</b>
<b>Total net assets</b>		<b>4,174,314</b>	<b>4,340,407</b>
<b>The funds of the charity:</b>			
Endowment funds	11	4,272,958	3,896,067
Unrestricted income funds	11	(98,644)	444,340
<b>Total funds</b>		<b>4,174,314</b>	<b>4,340,407</b>

The notes on pages 13 to 19 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX December 2024

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. In 2023/24 one grant was awarded for £650,000. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of signing these financial statements to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the current high inflationary pressures on the value of investment assets held and likely challenging markets for investment performance, future income levels, expenditure requirements and the liquidity of the charity over the 12 months period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material judgements or estimates related to the financial statements.

#### **(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of investment income and interest on cash balances.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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. The liability can only be derecognised where payment of a grant award is no longer probable.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required and these costs are recharged to the charity.

#### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1022138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

#### **(i) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Expendable endowment fund** – this fund consists of endowment funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity, which is allocated to the unrestricted income fund.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the expendable endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

#### (j) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

## 2. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Investment income	<b>127,462</b>	151,817
Interest	<b>12,411</b>	7,807
<b>Total</b>	<b>139,873</b>	159,624

## 3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds			Unrestricted funds total
	Direct costs £	Support costs £	<b>Total 2023/24 £</b>	2022/23 £
Grants Awarded	650,000	33,133	<b>683,133</b>	78,990
<b>Totals</b>	650,000	33,133	<b>683,133</b>	78,990

## 4. ANALYSIS OF SUPPORT COSTS

Support costs are allocated based on direct costs on charitable activities.

	<b>Charitable activities £</b>	<b>Governance costs £</b>	<b>Total 2023/24 £</b>	<b>Total 2022/23 £</b>
Legal fees	995	-	<b>995</b>	929
Management fees	28,104	-	<b>28,104</b>	23,969
Finance and administration fees	2,092	-	<b>2,092</b>	2,092
Independent Examination Fees	-	1,943	<b>1,943</b>	2,000
<b>Sub- total</b>	<b>31,191</b>	<b>1,943</b>	<b>33,133</b>	28,990
Reallocation of governance costs	1,943	(1,943)	-	-
<b>Total support costs</b>	<b>33,133</b>	-	<b>33,133</b>	28,990

## 5. ANALYSIS OF GRANTS AWARDED

<b>Reconciliation of grants payable:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Commitments at 1 April	-	11,574
Commitments made in the year	<b>650,000</b>	50,000
Grants paid in the year	<b>(650,000)</b>	(61,574)
<b>Commitments at 31 March (note 9)</b>	<b>-</b>	<b>-</b>

One grant was awarded in 2023/24 for £650,000 (2022/23: £50,000 one grants were awarded).

## 6. INDEPENDENT EXAMINER'S REMUNERATION

In 2023/24 an independent examination fee of £1,943 was recharged (2022/23: £2,000). No other services were provided to the charity by its independent examiners during the year (2022/23: £nil).

## 7. TRUSTEE EXPENSES

The Members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1022138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Market value 1 April	3,838,858	3,927,669
Gain/(Loss) for the year	376,891	(88,811)
<b>Market value 31 March</b>	<b>4,215,749</b>	<b>3,838,858</b>
<b>Cost 31 March</b>	<b>442,314</b>	<b>442,314</b>
Units held in Charities Pool	423,949	423,949

The type of listed investments held as at 31 March was as follows:

	Held in the UK £	Held outside the UK £	Total at 31 March 2024 £	Held in the UK £	Held outside the UK £	Total at 31 March 2023 £
Equities	3,547,144	461,807	<b>4,008,951</b>	3,114,849	522,085	3,636,934
Pooled Units	157,249	-	<b>157,249</b>	125,915	-	125,915
Cash held by Fund Manager	49,548	-	<b>49,548</b>	76,009	-	76,009
<b>Total</b>	<b>3,753,941</b>	<b>461,807</b>	<b>4,215,749</b>	<b>3,316,773</b>	<b>522,085</b>	<b>3,838,858</b>

## 9. CREDITORS – Amounts due within one year

	2024 £	2023 £
Grants awarded	-	-

## 10. ANALYSIS OF NET ASSETS BY FUND

### At 31 March 2024

	Unrestricted: general funds £	Endowment funds £	Total at 31 March 2024 £
Fixed assets - investments	-	4,215,749	4,215,749
Current assets	(98,644)	57,209	(41,435)
<b>Total</b>	<b>(98,644)</b>	<b>4,272,958</b>	<b>4,174,314</b>

### At 31 March 2023

	Unrestricted: general funds £	Endowment funds £	Total at 31 March 2023 £
Fixed assets - investments	-	3,838,858	3,838,858
Current assets	444,340	57,209	501,549
Current liabilities			
<b>Total</b>	<b>444,340</b>	<b>3,896,067</b>	<b>4,340,407</b>

**11. MOVEMENT IN FUNDS**

<b>At 31 March 2023</b>	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	<b>Total as at 31 March 2024 £</b>
Endowment funds:					
Expendable endowment	3,896,067	-	-	376,891	<b>4,272,958</b>
Unrestricted funds:					
General funds	444,340	139,873	(683,133)	276	<b>(98,644)</b>
<b>Total funds</b>	<b>4,340,407</b>	<b>139,873</b>	<b>(683,133)</b>	<b>377,167</b>	<b>4,174,314</b>

<b>At 31 March 2022</b>	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total as at 31 March 2023 £
Endowment funds:					
Expendable endowment	3,984,878	-	-	(88,811)	3,896,067
Unrestricted funds:					
General funds	363,970	159,624	(78,990)	(264)	444,340
<b>Total funds</b>	<b>4,348,848</b>	<b>159,624</b>	<b>(78,990)</b>	<b>(89,075)</b>	<b>4,340,407</b>

**Purpose of the endowment fund**

The expendable endowment fund is invested in the City of London Charities Pool to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

**Purpose of unrestricted funds**

The general fund comprises the accumulation of income surpluses as a result of unspent investment income after grants are charged to this fund. Any undistributed annual income is held for use in future years in accordance with the objectives of the trust.



## 12. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

### 12 Related party transactions

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Charities Pool (charity registration no. 1021138)	The charity's investments are held in units of the Charities Pool, of which the Corporation is also Trustee	<b>127,462</b>	151,817	Distribution from the Charities Pool
		(-)	(-)	
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>33,133</b>	28,990	Central Grants Unit management and administration fees
		(-)	(-)	

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** City Educational Trust Fund

Registered charity number: 290840

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation (appointed 06 February 2024)

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation (retired 31 December 2023)

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**INDEPENDENT EXAMINERS:**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. 1000 BX1 1LT

**FUND MANAGER:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

# City of London Freeman's School Bursary Fund

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 284769

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## **ORIGINS OF THE CHARITY**

The City of London Freeman's School Bursary Fund charity was registered on 8 July 1982. It was previously governed by the governing document dated 30 April 1982 and its supplementary deeds of 25 August 1993 and 29 April 1997. The governing document and the supplementary deeds were replaced on 1 December 2011 by the governing scheme approved by The Charity Commission for England and Wales.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document for the City of London Freeman's School Bursary Fund is the 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.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of the City Of London Freeman's School Bursary Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London.

The key Committee which has responsibility for directly managing matters related to the charity is the Board of Governors of the City of London Freeman's School, which is ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance has been undertaken for the charity alongside the other charities of which the City of London Corporation is Trustee. Implementation of recommendations is ongoing. Reference was made to the good practices recommended within the Charity Governance Code throughout this review, to ensure regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The objective 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:

- (1) would not be able to enter the School having been accepted; or
- (2) 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.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 22.

### **Policy on grant making**

The charity has established its grant making policies to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. The assessment, management and oversight of the charity's grant making is provided by the City of London Freeman's School Bursary Fund, the Bursar and the Chamberlain's, which is an internal department of The City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the Beneficiaries.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the City of London Freeman's School Bursary Fund's aims and objectives and in planning future activities. The purposes of the charity are as stated above.

Consequently, the Trustee considers that the City of London Freeman's School Bursary Fund operates to benefit the general public and satisfy the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 22.

## **ACHIEVEMENTS AND PERFORMANCE**

The target for 2023/24 was to continue to contribute towards fees of pupils at the City of London Freeman's School where financial hardship would cause the pupil to be unable to enter or continue at the School. In line with this, seven bursaries (2022/23: one bursary) was awarded during the year amounting to £125,903 (2022/23: £19,911).

## **PLANS FOR FUTURE PERIODS**

The objective for future years is to continue to contribute towards the tuition fees payable to the City of London Freeman's School for pupils who, but for financial assistance, would not be able to continue at or enter the School.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 13.



## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity’s total income for the year was £127,998, an overall increase of £15,215 against the previous year primarily due to an increase in investment income compared to the previous year (2022/23: charity’s total income for the year was £112,783).

Voluntary income amounting to £67,412 (2022/23: £54,104) was raised in 23/24, with further income from managed investments of £44,925 (2022/23: £53,509) and £15,661 (2022/23: £5,170) of interest from cash balances held.

#### Expenditure

Total expenditure for the year was £184,631 of which £177,063 was bursary awards, with £7,568 of support costs (2022/23: £29,723 of which £19,911 was bursary awards, with £9,812 of support costs).

#### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	23/24		22/23	
	3 year	5 year	3 year	5 year
Fund	<b>9.03%</b>	<b>7.62%</b>	14.06%	5.64%
FTSE All Share	<b>8.05%</b>	<b>5.44%</b>	13.81%	5.04%
Fund outperformance	<b>+0.98%</b>	<b>+2.18%</b>	+0.25%	+0.60%

## **Funds held**

The charity's total funds held increased by £76,552 (4.5%) to £1,798,538 as at 31 March 2024 (2022/23: total funds held increased by £51,653 (3.1%) to £1,721,986 as at 31 March 2023).

Unrestricted income was made up of voluntary income of £67,412 (2022/23: £54,104) and investment income of £60,586 (2022/23: £58,679), with unrestricted expenditure of £184,631 (2022/23: £29,723). The remaining balance of the fund was £388,219 as at 31 March 2024 (2022/23: £444,504).

The other funds of the charity are represented by expendable endowment fund which is held to generate income for the primary objectives of the charity. The fund balance was £1,410,319 at 31 March 2024 (2022/23: £1,277,482). Any undistributed income is held for use in future years in accordance with the objectives of the charity.

Details of funds held, including their purposes, is set out within note 11 to the financial statements.

## **Reserves policy**

The reserves policy is to maintain the expendable funds of the charity in investments in the Charities Pool administered by the City of London Corporation and to use the investment income together with other funds, in accordance with the objectives of the charity. The trustee believes that an amount of at least £10,000 should be held at present to meet future working capital needs, representing 12 months of administration expenses and independent examination fees. Current free reserves held are £388,219; this is above the minimum required, which is being factored into plans for future periods, including those noted on page 5.

## **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Henry Nicholas Almroth Colthurst, Deputy  
(corpoflondon.gov.uk)

Chairman of Finance Committee of  
The City of London Corporation

Randall Keith Anderson, Deputy  
(corpoflondon.gov.uk)

Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

7<sup>th</sup> October 2024

# **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND**

I report to the trustees on my examination of the accounts of City of London Freemen's School Bursary Fund for the year ended 31 March 2024 which are set out on pages 11 to 21.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

## **Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 Unrestricted Funds £	2023/24 Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income and endowments from:</b>					
Voluntary income	2	67,412	-	<b>67,412</b>	54,104
Investments	3	60,586	-	<b>60,586</b>	58,679
<b>Total income</b>		127,998	-	<b>127,998</b>	112,783
<b>Expenditure on:</b>					
Charitable activities	4	184,631	-	<b>184,631</b>	29,723
<b>Total expenditure</b>		184,631	-	<b>184,631</b>	29,723
Net gains on investments	8	-	132,837	<b>132,837</b>	(31,229)
Fair Value Movements		349	-	<b>349</b>	(178)
<b>Net movement in funds</b>		(56,285)	132,837	<b>76,552</b>	51,653
<b>Reconciliation of total funds:</b>					
Brought forward	11, 12	444,504	1,277,482	<b>1,721,986</b>	1,670,333
<b>Carried forward</b>	11, 12	388,219	1,410,319	<b>1,798,538</b>	1,721,986

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 13 to 21 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2023/24 Total £	2022/23 Total £
<b>Fixed assets:</b>			
Investments	8	1,485,863	1,353,026
<b>Total fixed assets</b>		<b>1,485,863</b>	<b>1,353,026</b>
<b>Current assets</b>			
Cash at bank and in hand		359,013	361,260
Debtors	9	12,683	15,013
<b>Total current assets</b>		<b>371,696</b>	<b>376,273</b>
<b>Creditors: Amounts falling due within one year</b>	10	<b>(59,021)</b>	<b>(7,313)</b>
<b>Net current assets</b>		<b>312,675</b>	<b>368,960</b>
<b>Total net assets</b>	11, 12	<b>1,798,538</b>	<b>1,721,986</b>
<b>The funds of the charity:</b>			
Endowment funds	11, 12	1,410,319	1,277,482
Unrestricted funds	11, 12	388,219	444,504
<b>Total funds</b>	11, 12	<b>1,798,538</b>	<b>1,721,986</b>

The notes on pages 13 to 21 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London & Chief Financial Officer

7<sup>th</sup> October 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from donations and investments, so maintaining its capital base.

In making this assessment, the Trustee has considered the financial position, including future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due. The policy of only approving commitments from available income provides the flexibility to ensure the long-term viability of the charity. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Management do not consider there to be any material estimates in relation to the financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



Management do not consider there to be any material revisions requiring disclosure.

**(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, investment income and interest.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff, however the costs of bursaries administration, incurred by the City of London Corporation, are charged to the charity.

Officers of the City Corporation provide additional administrative assistance to the charity when required. Costs incurred in the administration of the charity are recharged by the Corporation.

**(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(i) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Expendable endowment fund** – this fund consists of endowment funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity, which is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**(j) Insurance**

The charity, elected Members and staff supporting the charity’s administration are covered by the City Corporation’s insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City’s Cash.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Donations and legacies	<b>32,257</b>	24,875
City of London Corporation match-funding	<b>35,155</b>	29,229
<b>Total</b>	<b>67,412</b>	54,104

The City of London Corporation match-funds external donations received up to the value of 1/3 of the school’s support allocation in any one financial year.

### 3. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24 £</b>	<b>Unrestricted funds 2022/23 £</b>
Investment income	<b>44,925</b>	53,509
Interest	<b>15,661</b>	5,170
<b>Total</b>	<b>60,586</b>	<b>58,679</b>

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	<b>Unrestricted funds</b>			<b>Unrestricted funds</b>
	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Total 2023/24 £</b>	<b>2022/23 £</b>
Bursaries awarded:	177,063	7,568	<b>184,631</b>	29,723
<b>Total</b>	<b>177,063</b>	<b>7,568</b>	<b>184,631</b>	<b>29,723</b>

Charitable activities consisted of seven bursary awarded to individuals (2022/23: one bursary was awarded to individuals).

## 5. OTHER EXPENDITURE

	Charitable activities £	Governance costs £	Total 2023/24 £	Total 2022/23 £
Management & administration fees	5,626	-	<b>5,626</b>	7,812
Independent examination fees	-	1,943	<b>1,943</b>	2,000
Sub- total	5,626	1,943	<b>7,569</b>	9,812
Reallocation of governance costs	1,943	(1,943)	-	-
<b>Total support costs</b>	<b>7,569</b>	-	<b>7,569</b>	9,812

## 6. INDEPENDENT EXAMINER’S REMUNERATION

In 2023/24 £1,943 independent examination fee was recharged (2022/23: £2,000). No other services were provided to the charity by its independent examiners during the year.

## 7. TRUSTEE EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>Total 31 March 2024</b>	Total 31 March 2023
	£	£
Market value 1 April	1,353,026	1,384,255
Gain/(Loss) for the year	132,837	(31,229)
<b>Market value 31 March</b>	<b>1,485,863</b>	1,353,026
<b>Cost 31 March</b>	<b>1,020,857</b>	1,020,857
Units held in Charities Pool	149,423	149,423

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

	Held in the UK	Held outside the UK	<b>Total 31 March 2024</b>	Held in the UK	Held outside the UK	Total 31 March 2023
	£	£	£	£	£	£
Equities	1,250,149	162,759	<b>1,412,907</b>	1,097,845	184,011	1,281,857
Pooled Units	55,423	-	<b>55,423</b>	44,379	-	44,379
Cash held by Fund Manager	17,533	-	<b>17,533</b>	26,790	-	26,790
<b>Total</b>	<b>1,323,104</b>	<b>162,759</b>	<b>1,485,863</b>	<b>1,169,014</b>	<b>184,011</b>	<b>1,353,026</b>

## 9. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>Total 31 March 2024</b>	Total 31 March 2023
	£	£
HMRC - Gift Aid	<b>12,683</b>	15,013
<b>Total</b>	<b>12,683</b>	15,013

## 10. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	<b>Total 31 March 2024 £</b>	<b>Total 31 March 2023 £</b>
Bursaries awarded	<b>59,021</b>	7,313

## 11. ANALYSIS OF NET ASSETS BY FUND

<b>At 31 March 2024</b>	Unrestricted £	Endowment £	<b>Total 31 March 2024 £</b>	<b>Total 31 March 2023 £</b>
Fixed assets - investments	75,544	1,410,319	<b>1,485,863</b>	1,353,026
Current assets	371,696	-	<b>371,696</b>	376,273
Current liabilities	(59,021)	-	<b>(59,021)</b>	(7,313)
<b>Total</b>	<b>388,219</b>	<b>1,410,319</b>	<b>1,798,538</b>	1,721,986

At 31 March 2023	Unrestricted	Endowment	<b>Total 31 March 2023 £</b>	<b>Total 31 March 2022 £</b>
Fixed assets - investments	75,544	1,277,482	1,353,026	1,384,255
Current assets	376,273	-	376,273	300,218
Current liabilities	(7,313)	-	(7,313)	(14,140)
<b>Total</b>	<b>444,504</b>	<b>1,277,482</b>	<b>1,721,986</b>	<b>1,670,333</b>

## 12. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total 1 April 2023 £	Income £	Expenditure £	Gain/Loss £	Fair value £	<b>Total 31 March 2024 £</b>
Expendable endowment	1,277,482	-	-	132,837	-	<b>1,410,319</b>
Unrestricted funds	444,504	127,998	(184,631)	-	349	<b>388,219</b>
<b>Total funds</b>	<b>1,721,986</b>	<b>127,998</b>	<b>(184,631)</b>	<b>132,837</b>	<b>349</b>	<b>1,798,538</b>

<b>At 31 March 2023</b>	Total 1 April 2022 £	Income £	Expenditure £	Gain/Loss £	Fair value £	<b>Total 31 March 2023 £</b>
Expendable endowment	1,308,711	-	-	(31,229)	-	1,277,482
Unrestricted funds	361,622	112,783	(29,723)	-	(178)	444,504
<b>Total funds</b>	<b>1,670,333</b>	<b>112,783</b>	<b>(29,723)</b>	<b>(31,229)</b>	<b>(178)</b>	<b>1,721,986</b>

A gain of £132,837 (2022/23: loss of £31,229) occurred on investments, based on valuations as at 31 March 2024.

### Purpose of expendable endowment funds

The expendable endowment funds are held to generate income to enable the charity to undertake its charitable objectives and support the awarding of bursaries.

### Purpose of unrestricted funds

These funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the expendable endowment fund. Any undistributed income is held for use in future years in accordance with the objectives of the charity.

### 13. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 3.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Related party	Connected party	2023/24	2022/23	Detail of transaction
		£	£	
City of London Corporation	The Trustee of the charity	<b>35,155 (nil)</b>	29,229 (nil)	Match-funding of external donations up to the value of 1/3 of the school's support allocation in any one financial year
Charities Pool	The Trustee of the charity	<b>44,925 (nil)</b>	53,509 (nil)	Distribution from the Charities Pool
City of London Corporation	The Trustee of the charity	<b>(7,568) (nil)</b>	(9,812) (nil)	Support Costs



## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** City of London Freemen's School Bursary Fund

Registered charity number: 284769

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - the Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**AUDITOR:**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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The City of London Corporation Combined  
Education Charity

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 312836

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## **ORIGINS OF THE CHARITY**

In June 2011, a new scheme was approved by the Charity Commission, the purpose of which was to enable more efficient management and administration. The Archibald Dawnay Scholarships (charity number 290129), Robert Blair Fellowships for Applied Science and Technology (charity number 312924) and Alan Partridge Smith Trust (unregistered) were merged into the Higher Education Research and Special Expenses Fund (HERSEF) (charity number 312836), with the name of the charity changed to The City of London Corporation Combined Education Charity.

The scheme revised and broadened the objects of the charity thereby facilitating greater flexibility in the application of funds for the public benefit.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The constitution of this Trust is set out within the scheme approved by the Charity Commission in June 2011.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of The City of London Corporation Combined Education Charity. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the City Educational trust Fund and are elected by the electorate of the City of London. The Trustee has delegated the management of this charity to The Education Board, which comprises Aldermen and Commoners appointed to these committees in accordance with the usual procedures for committee membership. The key committees which also had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- Education Board and Education Charity Sub (Education Board) Committee - responsible for reviewing the charitable activities and instigating any changes to the administrative arrangements which are considered necessary to maximise the effectiveness of the charity and ensure compliance with the City Corporation's duties as Trustee:
- Audit & Risk Management Committee – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- Finance Committee – responsible for approval of the Annual Report and Financial Statements.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent, and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance was completed, which has resulted in the new strategic grant making programme detailed below. Reference was made to the good practices recommended within the Charity Governance Code throughout this review, and the outcome has been to both ensure regulatory compliance and deliver an efficient and effective charity that maximises impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The objects of the charity are to further the education of persons (including persons born or resident in the City of London and those attending educational institutions in the City of London or the other London boroughs) attending or proposing to attend secondary, further, or higher educational institutions by the provision of grants or financial assistance and by arranging or supporting education and training to extend or complement courses provided by such institutions.

The charity also aims to provide grants for staff at maintained schools and academies in the City of London and the other boroughs of London to undertake studies either at educational institutions or at other establishments provided that such study furthers their development as teachers.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1022138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 18.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The City of London Corporation Combined Education Charity's aims and objectives, as stated above, and in planning future activities.

Consequently, the Trustee considers that The City of London Corporation Combined Education Charity operates to benefit the public and satisfies the public benefit test.

### **Policy on grant making.**

The charity has established its grant making policy to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. These guidelines are available from the e-mail address on page 18. The assessment, management and oversight of the charity's grant making is provided by the Central Grants Unit (CGU), which is an internal department of the City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the beneficiaries.

Grants are given to educational charities and educational establishments for work that advances the objects of the charity. Beneficiaries must be (1) resident in the City of London or London boroughs and studying or proposing to study at secondary, further, or higher educational institutions *or* studying or proposing to study at secondary, further or higher educational institutions in the City of London or London boroughs or (2) teaching in the City of London or London boroughs.



## **ACHIEVEMENTS AND PERFORMANCE**

At the Education Board in July 2021 Members agreed to Corporate Charities Review Recommendations that that authority be delegated to the Managing Director of Bridge House Estates, in consultation with the Education Strategy Unit Team in the Community & Children's Services Department, to develop options, within the parameters of the charitable purposes of the CEC, for a strategic and efficient funding programme for the application of the charity's income, with formal proposals being brought back to Members for consideration and approval.

Officers from the Central Grants Unit (CGU) have spent the year exploring strategic partnerships with universities to deliver a range of comprehensive bursary schemes in line with the objects of the CEC. Meetings have taken place with Birkbeck University, who had recently held a strategic grant from the CEC, as well as Goldsmiths University.

At its meeting in October 2022 Members of the Education Board approved funding of £180,000 is recommended over three years to provide 36 new bursaries supporting those moving from a Foundation Year course to undergraduate degrees and delivering a holistic support package. This grant will support students who do not have a usual route into Higher Education and struggle to get funding support. The holistic package of support will provide the bursary students with the appropriate tools to further their university education. This project will deliver on the objects of the CEC as it will deliver financial assistance and support that will further the students' study.

At its meeting in February 2023 the Education Board approved funding of £320,000 to Goldsmiths University over three years to provide 35 new bursaries supporting Black Asian and Minority Ethnic students studying undergraduate degrees and delivering an educational enrichment package. The grant will support students who do not have a usual route into Higher Education and struggle to get funding support. The holistic package of support will provide the bursary students with the appropriate tools to further their university education. This project will deliver on the objects of the CEC, delivering financial assistance and support that will further students' study.

Throughout the year the CGU continued to engage with the funded partners holding regular check in meetings. Goldsmiths attended the Education Board in 2023/24 to update the Committee on the progress of the work and to thank the Board for its ongoing support.

## **PLANS FOR FUTURE PERIODS**

The Central Grants Unit now has an expanded remit delivering Charitable Funding programmes on behalf of the City of London while managing 6 of its Charities. Ongoing the Unit will be referred to as the Central Funding and Charity Management Team (CFCMT). Ongoing monitoring and evaluation of projects by the Team will continue to ensure that projects are on track and delivering to their outlined aims.

Birkbeck University are expected to present at the Education Board in June 2024, updating the Board on the progress of the Foundation Year Funding. They are looking to bring students who have benefited from the bursary to speak at the meeting.

The Trustee does not consider there to be any material uncertainty around Going Concern and further detail regarding this is set out on page 12.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity's total income for the year was £40,009, an overall decrease of £ 7,731 from the prior year (2022/23: £ 47,740). All income received was from investments.

#### Expenditure

Expenditure costs of administering and managing the charity was £ 16,875 for 2023/24; (2022/23: £20,584). There was no new grant in 2023/24 compared to 2022/23 which had 2 grants (£500,000); as a result, Administration costs decreased.

#### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +2.23% which was below the FTSE All Share Index benchmark return of +2.92% (2022/23: the investment strategy gained +11.1% versus +13.0% from the benchmark). Over the longer-term three and five year horizon, performance of the Charities Pool investments, as displayed in the table below, was above benchmark. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
City of London Charities Pool	9.03%	7.62%	14.06%	5.64%
FTSE All Share	8.05%	5.44%	13.81%	5.04%
Fund outperformance	0.98%	2.18%	0.26%	0.61%

#### Funds held

The charity's total funds held increased by 16.8% to 945,149 at 31 March 2024 (2022/23: £809,194), mainly as a result of the significant net gain investment during the year. Within the total funds held, £856,662 (£2022/23: £781,978) represent expendable endowment funds which are held to generate income for the primary objectives of the charity. Any income arising from the endowment is accounted for within unrestricted funds. Unrestricted funds amounted to £88,487 (2022/23: £27,216). These funds are held for use in future years in accordance with the objectives of the Trust.

Details of all funds held, including their purposes, is set out within note 9 to the financial statements.

#### 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 use the investment income in accordance with the objectives of the charity. The Trustee has the discretion to distribute the expendable endowment as grants as deemed appropriate. The free reserves of the charity are held to cover working capital needs.

The Trustee believes that a minimum amount of £22,000 should be held to meet future working capital needs. This amount is subject to annual review. At 31 March 2024 the charity held 88,487 as free reserves; the plans in place for a strategic grant making programme have brought reserves back in line with the target level. Consideration of the reserves, investment levels held, and future grant activity will be incorporated in proposals for the charity for future financial years as detailed in the Plans for Future Periods on page 5.

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. To embed sound practice, the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity, and that appropriate advice and support is provided. Currently risks are considered and reviewed by the Trustee as part of charity updates at Committee meetings.

## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy  
Chairman of Finance Committee of  
The City of London Corporation

Randall Keith Anderson, Deputy  
Deputy Chairman of Finance  
Committee of The City of London  
Corporation

Guildhall, London

XX December 2024

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON CORPORATION COMBINED EDUCATION CHARITY

I report to the trustees on my examination of the accounts of The City of London Corporation Combined Education Charity for the year ended 31 March 2024 which are set out on pages 10 to 18.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Vincent Marke, FCA

Crowe U.K LLP,  
55 Ludgate Hill,  
London,  
EC4M 7JW

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Endowment Funds £	2024 Total Funds £	2023 Total Funds £
<b>Income from:</b>					
Investments	2	40,009	-	<b>40,009</b>	47,740
<b>Total income</b>		<b>40,009</b>	<b>-</b>	<b>40,009</b>	<b>47,740</b>
<b>Expenditure on:</b>					
Charitable activities	3	16,875	-	<b>16,875</b>	520,584
<b>Total expenditure</b>		<b>16,875</b>	<b>-</b>	<b>16,875</b>	<b>520,584</b>
Net gains / (losses) on investments	8	38,095	74,684	<b>112,779</b>	(26,514)
Net Gains on short term deposit		42	-	<b>42</b>	(78)
<b>Net income and net movement in funds</b>		<b>61,271</b>	<b>74,684</b>	<b>135,955</b>	<b>(499,436)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	11	27,216	781,978	<b>809,194</b>	1,308,630
<b>Total funds carried forward</b>	11	<b>88,487</b>	<b>856,662</b>	<b>945,149</b>	<b>809,194</b>

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 12 to 18 form part of these financial statements.

**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets</b>			
Investments	8	1,261,505	1,148,726
<b>Total fixed assets</b>		<b>1,261,505</b>	<b>1,148,726</b>
<b>Current assets</b>			
Cash at bank and in hand		13,644	136,468
<b>Total current assets</b>		<b>13,644</b>	<b>136,468</b>
<b>Creditors: Amounts falling due within one year</b>	9	<b>(330,000)</b>	<b>(212,000)</b>
<b>Net Current Assets</b>		<b>(316,356)</b>	<b>(75,532)</b>
<b>Total Assets less current liabilities</b>		<b>945,149</b>	<b>1,073,194</b>
<b>Creditors - Amounts falling after one year</b>	9	<b>-</b>	<b>(264,000)</b>
<b>Total net assets</b>		<b>945,149</b>	<b>809,194</b>
<b>The funds of the charity:</b>			
Endowment funds	11	856,662	781,978
Unrestricted income funds	11	88,487	27,216
<b>Total funds</b>		<b>945,149</b>	<b>809,194</b>

The notes on pages 12 to 18 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX December 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from its investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of signing these financial statements to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due. The policy of only approving grant commitments from available unrestricted income provides the flexibility to ensure the long-term viability of the charity. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.



#### **(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of investment income and interest on cash balances.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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. The liability can only be derecognised where payment of a grant award is no longer probable.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required and the costs are recharged to the charity.

#### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1022138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

#### **(i) Funds structure**

Income, expenditure, and gains/losses are allocated to particular funds according to their purpose:

**Expendable endowment fund** – this fund consists of endowment funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity, which is allocated to the unrestricted income fund.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the expendable endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

### (j) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporations insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

## 2. INCOME FROM INVESTMENTS

	<b>Unrestricted funds 2023/24</b>	Unrestricted funds 2022/23
	£	£
Investment income	38,141	45,429
Interest	1,868	2,311
<b>Total</b>	<b>40,009</b>	<b>47,740</b>

## 3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Unrestricted funds Support costs	<b>Total 2023/24</b>	Unrestricted funds total 2022/23
	£	£	£	£
Grants awarded	-	16,875	<b>16,875</b>	520,584

## 4. ANALYSIS OF SUPPORT COSTS

	<b>Charitable activities</b>	<b>Governance costs</b>	<b>Total 2023/24</b>	Total 2022/23
	£	£	£	£
Legal fees	360	-	<b>360</b>	350
Management fees	14,122	-	<b>14,122</b>	16,025
Finance and administration fees	450	-	<b>450</b>	2,209
Independent Examination Fees	-	1,943	<b>1,943</b>	2,000
Sub- total	14,932	1,943	<b>16,875</b>	20,584
Reallocation of governance costs	1,943	(1,943)	-	-
<b>Total support costs</b>	<b>16,875</b>	<b>-</b>	<b>16,875</b>	<b>20,584</b>

Support costs are allocated based on direct costs incurred on charitable activities.

## 5. ANALYSIS OF GRANTS

<b>Reconciliation of grants payable:</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Commitments at 1 April	<b>476,000</b>	-
Commitments made in the year	-	500,000
Grants paid in the year	<b>(146,000)</b>	<b>(24,000)</b>
<b>Commitments at 31 March (note 9)</b>	<b>330,000</b>	<b>476,000</b>

## 6. INDEPENDENT EXAMINER'S REMUNERATION

In 2023/24, a £1,943 independent examination fee was recharged (2022/23: £2,000). No other services were provided to the charity by its independent examiners during the year.

## 7. TRUSTEE EXPENSES

The Members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: £nil).

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1022138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Market value 1 April	1,148,726	1,175,240
Gain/(Loss) for the year	112,779	(26,514)
<b>Market value 31 March</b>	<b>1,261,506</b>	<b>1,148,726</b>
<b>Cost 31 March</b>	<b>650,383</b>	<b>650,383</b>
Units held in Charities Pool	126,861	126,861

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

	Held in the UK	Held outside the UK	<b>Total at 31 March 2024</b>	Held in the UK	Held outside the UK	Total at 31 March 2023
	£	£	£	£	£	£
Equities	1,061,434	138,190	<b>1,199,624</b>	932,076	156,227	1,088,303
Pooled Units	47,055	-	<b>47,055</b>	37,678	-	37,678
Cash held by Fund Manager	14,827	-	<b>14,827</b>	22,745	-	22,745
<b>Total</b>	<b>1,123,316</b>	<b>138,190</b>	<b>1,261,505</b>	<b>992,499</b>	<b>156,227</b>	<b>1,148,726</b>

## 9. CREDITORS

	<b>2024</b>	2023
	<b>£</b>	£
Grant Liabilities	<b>330,000</b>	212,000
<b>Creditors - Amounts falling after one year</b>		
Grant Liabilities	-	264,000

## 10. ANALYSIS OF NET ASSETS BY FUND

### At 31 March 2024

	Unrestricted General funds	Endowment funds	<b>Total at 31 March 2024</b>
	£	£	£
Fixed assets - investments	426,121	835,384	<b>1,261,505</b>
Current assets	13,644	-	<b>13,644</b>
Current liabilities	(330,000)	-	<b>(330,000)</b>
<b>Total</b>	<b>109,765</b>	<b>835,384</b>	<b>945,149</b>

### At 31 March 2023

	Unrestricted General funds	Endowment funds	<b>Total at 31 March 2023</b>
	£	£	£
Fixed assets - investments	388,026	760,700	1,148,726
Current assets	115,190	21,278	136,468
Current liabilities	(212,000)	-	(212,000)
<b>Total</b>	<b>291,216</b>	<b>781,978</b>	<b>1,073,194</b>

## 11. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	<b>Total as at 31 March 2024 £</b>
Endowment funds:					
Expendable endowment	781,978	-	-	74,684	<b>856,662</b>
Unrestricted funds:					
General funds	27,216	40,009	(16,875)	38,137	<b>88,487</b>
<b>Total funds</b>	<b>809,194</b>	<b>40,009</b>	<b>(16,875)</b>	<b>112,821</b>	<b>945,149</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total as at 31 March 2023 £
Endowment funds:					
Expendable endowment	799,536	-	-	(17,558)	781,978
Unrestricted funds:					
General funds	509,094	47,740	(520,584)	(9,034)	27,216
<b>Total funds</b>	<b>1,308,630</b>	<b>47,740</b>	<b>(520,584)</b>	<b>(26,592)</b>	<b>809,194</b>

### Purpose of the endowment fund

The expendable endowment fund is invested to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

### Purpose of unrestricted funds

The general fund comprises the accumulation of income surpluses as a result of unspent investment income after expenditure is charged to this fund. Any undistributed annual income is held for use in future years in accordance with the objectives of the charity.

## 12. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

<b>Related party</b>	<b>Connected party</b>	<b>2023/24</b>	<b>2022/23</b>	<b>Detail of transaction</b>
		<b>£</b>	<b>£</b>	
Charities Pool Charity registration no. 1021138 City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>38,141</b>	45,429	Distribution from the Charities Pool
		<b>(-)</b>	(-)	
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>16,875</b>	20,584	Management and administration fees recharged to the charity
		<b>(-)</b>	(-)	

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** The City of London Corporation Combined Education Charity

Registered charity number: 312836

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation (appointed 06 February 2024)

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation (retired 31 December 2023)

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**INDEPENDENT EXAMINER:**

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. 1000 BX1 1LT

**FUND MANAGER:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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King George's Field–City of London

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 1085967

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## **ORIGINS OF THE CHARITY**

The King George's Field was established in 1936 as a memorial to King George V, the intention being to provide much needed open space for sports, games and recreation. The City of London Corporation was a Trustee of a King George's Field which was originally situated in Vine Street, Minories. In 1973 this site was acquired by compulsory purchase order by the Greater London Council and in return that council transferred to the City Corporation a plot of land in Portsoken Street which was laid out as a children's playground. The playground was closed in 1981, and the space then used as a garden for general public use.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document is the Trust deed dated 19 December 1939. The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of King George's Field–City of London. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Finance Committee** - responsible for administering the Trust on behalf of the Trustee.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Natural Environment Board** – the committee is the overarching policy and strategic body in relation to the activities of the City Corporation's Natural Environment Division. It is also responsible for the day to day management of the gardens, churchyards and green spaces in the City under the control of the Common Council.

Individuals collectively 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 a Trustee during their tenure of these positions.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is not considered in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

## **Governance Arrangements (continued)**

The charity is consolidated within City Fund as the City of London Corporation exercises operational control over their activities. City Fund is a fund of the City Corporation responsible for delivering the functions of a local authority and a police authority for the Square Mile.

The Trustee believes that good governance is fundamental to the success of the charity. An initial review of governance has been undertaken to ensure that the charity is effective in fulfilling its objectives, and further more detailed work is currently being undertaken as part of a review of the City of London Corporation's Natural Environment charities which is due to conclude by 31 December 2024. Reference is being made to the good practices recommended within the Charity Governance Code, with a focus on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

As part of the City of London Corporation's Target Operating Model (TOM) restructure, the Open Spaces Department merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department. King George's Field became part of the Environment Department from 1 April 2022.

## **OBJECTIVES AND ACTIVITIES**

The objective for King George's Field–City of London is to preserve in perpetuity a recreational and playing field as a memorial to King George V, under the provisions of the King George's Fields Foundation.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing King George's Field–City of London's aims and objectives and in planning future activities. The purpose of the charity is to preserve in perpetuity a recreational and playing field as a memorial to King George V, under the provisions of the King George's Fields Foundation.

Consequently, the Trustee considers that King George's Field–City of London operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 14.

## **ACHIEVEMENTS AND PERFORMANCE**

King George's Field was maintained during the year at a cost of £22,346 (2022/23: £20,987); this was met by the City of London's City Fund.

There were no improvements undertaken in 2023/24 other than general grounds maintenance.

## **PLANS FOR FUTURE PERIODS**

The aim for King George's Field is to preserve in perpetuity a recreational and playing field as a memorial to King George V under the provisions of the King George's Field Foundation.

There are no improvements scheduled for 2024/25 other than general grounds maintenance.

The Trustee will continue with its plans in line with the charity's objectives.

## FINANCIAL REVIEW

### Income

In 2023/24, the charity's total income for the year was £22,346, an overall increase of £1,359 against the previous year (£20,987).

The only contributor to income was an amount of £22,346 (2022/23: £20,987) received from the City of London Corporation's City Fund as a contribution towards the running costs of the charity. The charity is supported wholly by the City of London Corporation and expenditure in the year was offset by this income.

### Expenditure

Total expenditure for the year was £22,346, all being for the category charitable activities (2022/23: £20,987). Activities consist of grounds maintenance costs £20,946 (2022/23: £18,491), premises maintenance costs of £1,300 (2022/23: £2,397) and administrative support of £100 (2022/23: £100), see note 4.

### Funds held

There are no funds held for this charity as at 31 March 2024 (2022/23: £nil).

### Reserves policy

The charity is wholly supported by the City of London Corporation which is committed to maintain and preserve King George's Field-City of London out of its City Fund. These Funds are used to meet the deficit on running expenses on a year by year basis. Consequently, this charity has no free reserves and a reserves policy is considered by the Trustee to be inappropriate.

### Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

Risk	Actions to manage risks
<b>Health &amp; Safety</b>	Good Health & Safety culture amongst staff; contractor protocol in place; regular review of site health and safety by peer review; comprehensive training programme and hierarchy of responsibilities. It is accepted that when providing a hands-on service and dealing with the public, a certain level of risk is inevitable and therefore cannot be removed completely.
<b>Extreme weather and climate change risk</b>	City Climate Adaptation Strategy now adopted. Emergency Plan in place; monitoring of warning systems; Extreme Weather Policy adopted for the Charity.

Risk	Actions to manage risks
	Current level of risk cannot be removed completely.
<b>Poor repair and maintenance of buildings (inadequate planned or reactive maintenance)</b>	Most pressing repairs/assets at risk have been escalated through the Cyclical Works Programme (CWP) or identified and submitted as target projects under the City Corporation's projects procedure. Seeking to further lower current risk level
<b>Impact of development</b>	Monitoring of local planning applications. Respond to consultation on host and neighbouring Borough local plans.
<b>Pests and diseases</b>	Comprehensive tree management system in place, along with training of staff in early identification and treatment. Some residual risk accepted (natural cycles).
<b>Poor Public Behaviour</b>	Including crime, irresponsible dog owners, rough sleepers, user conflict, trespassing and alcohol. Continue to develop strong relationship with CoL Police, community outreach teams and supported by use of outsourced security team at key times.
<b>Budget Reductions Implications</b>	Budgets monitored and reprofiled monthly; non-essential works cancelled and focus on increasing income to offset budget reduction. Review of staffing structures required in order to align with Target Operating Model.
<b>Major Incident</b>	Emergency Plan reviewed and updated annually, forming regular item on Divisional H&S meeting agenda. Superintendent attends Corporate Resilience Forum and disseminates learning. All staff have received counter terrorism awareness training.



## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

		<b>Unrestricted Funds</b>	Unrestricted Funds
	Notes	<b>2023/24</b>	2022/23
		£	£
<b>Income from:</b>			
Grant from City of London Corporation	2	<b>22,346</b>	20,987
<b>Total income</b>		<b>22,346</b>	20,987
<b>Expenditure on:</b>			
Charitable activities	3,4	<b>22,346</b>	20,987
<b>Total expenditure</b>		<b>22,346</b>	20,987
<b>Net income/(expenditure)</b>		-	-
<b>Reconciliation of funds:</b>			
Total funds brought forward	6	-	-
<b>Total funds carried forward</b>		-	-

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 9 to 13 form part of these financial statements.

**Balance Sheet**  
**as at 31 March 2024**

	Notes	2024 Total £	2023 Total £
<b>Current assets</b>		-	-
<b>Total current assets</b>		-	-
<b>Current liabilities</b>		-	-
<b>Total net assets</b>		-	-
<b>The funds of the charity:</b>			
Restricted income funds		-	-
Unrestricted income funds	6	-	-
<b>Total funds</b>		-	-

The notes on page 9 to 13 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

31 January 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City Fund. The Trustee considers the level of grant funding received and plans activities as a result of this. On an annual basis, a financial forecast is prepared for City Fund.

In making this assessment the Trustee has considered the financial position of the charity in light of planned expenditure over the 12-month period from the date of signing these financial statements. The global pandemic of Coronavirus did not have an impact on income as the Charity has no income streams which would be affected by the closure of King George's Field. The charity is funded by the City of London Corporation's City Fund and the charity will be able to reduce its expenditure principally on grounds maintenance. For these reasons the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

## **ACCOUNTING POLICIES (continued)**

### **(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of a grant from the Trustee, the City Corporation.

The City of London Corporation's City Fund meets the deficit on running expenses of the charity. This income is recognised in the SOFA when it is due from City Fund.

### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff. Officers of the City Corporation provide administrative assistance to the charity when required. Costs incurred by the City Corporation in the administration and management of the charity are recharged.

### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **(h) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**(i) Indemnity insurance**

The Charity, elected Members and staff supporting the charity's administration are covered by the City Corporations insurance liability policies and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City Fund.

**2. INCOME FROM THE CITY OF LONDON CORPORATION**

	<b>Unrestricted funds 2023/24 £</b>	Unrestricted funds 2022/23 £
Revenue grant from City of London Corporation	<b>22,346</b>	20,987

**Income for the year included:**

**Grants from the City of London Corporation** – being the amount received from the City of London Corporation's City Fund to meet the deficit on running expenses of the charity.

**3. EXPENDITURE**

<b>Expenditure on charitable activities</b>	<b>Unrestricted funds 2023/24 £</b>	Unrestricted funds 2022/23 £
Grounds maintenance costs	<b>20,946</b>	18,491
Surveyors maintenance costs	<b>1,300</b>	2,397
Support Costs (see note 4)	<b>100</b>	100
<b>Total</b>	<b>22,346</b>	20,987

Expenditure on the charitable activities includes labour, premises costs, equipment, materials, other supplies and services and administration fees incurred in the running of King George's Field-City of London.

#### 4. SUPPORT COSTS

	Charitable activities £	2023/24 £	2022/23 £
Chamberlain	100	<b>100</b>	100
Total support costs	100	<b>100</b>	100

Following a review, from 2021/22, the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities.

#### 5. TRUSTEE EXPENSES

The members of the Finance Committee of the City of London Corporation are not remunerated and expenses are not reimbursed for acting on behalf of the Trustee during 2023/24 (2022/23: nil).

#### 6. MOVEMENT IN FUNDS

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Total as at 31 March 2024 £
Unrestricted funds:				
General funds	-	22,346	(22,346)	-

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Total as at 31 March 2023 £
Unrestricted funds:				
General funds	-	20,987	(20,987)	-

#### 7. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are

required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets in the following table set out amounts due(to)/from another entity at the balance sheet date. Other figures represent the value of transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>22,346</b> <b>(nil)</b>	20,987 (nil)	The City of London Corporation's City Fund meets the deficit on running expenses of the charity.

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** King George's Field–City of London

Registered charity number: 1085967

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

Ian Thomas CBE – The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**Environment Department**

Katie Stewart - Executive Director of Environment

**Bankers**

Lloyds Bank Plc., P.O.Box 1000, BX1 1LT

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents & of the Annual Report of City Fund:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)



# Guildhall Library Centenary Fund

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 206950

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## ORIGINS OF THE CHARITY

The Charity in its current form is a merger of three very small charities following a review of these within the City Corporation in 2011. The assets of the English Philological Endowment Fund (Charity number 306000) and the Alderman Sir Samuel Wilson Charity (unregistered) were transferred to the Guildhall Library Centenary Fund.

It covers all the City of London collections outlined under *Objectives and Activities for the public benefit*. The key overall target is for the funds to be acquired and used for the purchase and conservation of items for and in these collections as the need arises. Additionally, the Fund will seek to identify small projects that deliver on the cross-collection nature of the charity and in particular the education of the public, potentially using funds as partner funding for external grant applications.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

The governing document of the charity is the Trust deed dated 7 March 1929 which was amended on 9 June 2011. Under the powers of the Charities Act 2011 this amendment has taken into account the transfer of the assets of the English Philological Endowment Fund (Charity number 306000) and the Alderman Samuel Wilson's Gift of Harbinger's Portraits (unregistered). The charity is constituted as a charitable trust.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of Guildhall Library Centenary Fund. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity's investments which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Culture, Heritage and Libraries Committee** – responsible for the activities undertaken by the Guildhall Library Centenary Fund charity and acting as Trustee of the charity.

The Culture, Heritage and Libraries Committee of the City of London Corporation administers the Charity on behalf of the Trustee. This committee comprises Aldermen and Common Councilmen elected to the City of London Corporation who are appointed to this committee in accordance with the usual procedures of committee membership of the City of London Corporation.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk)

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS**

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 19.

Each 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 proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of London Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

## **INDUCTION AND TRAINING OF MEMBERS**

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

## **OBJECTIVES AND ACTIVITIES**

The objective for Guildhall Library Centenary Fund is to advance the education and training of the public through the provision and conservation of library, archive, museum and gallery collections.

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 Guildhall Library Centenary Fund.

The Charity Governance Code was published in July 2017. The Trustee is supportive of the Code and its aim to assist in the development of high standards of governance

throughout the charity sector. The Trustee considers the application of recommended practice in the work of the Guildhall Library Centenary Fund charity.

### **Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although Guildhall Library Centenary Fund charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2022-23: nil). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

### **Investment Policy**

The charity’s investments are held in units of the City of London Charities Pool (registered charity 1021138). 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 19.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing Guildhall Library Centenary Fund’s aims and objectives and in planning future activities. The purpose of the charity is to advance the education and training of the public, in particular but not exclusively by the purchase of works of art, books, prints and articles of historical, archaeological or literary interest for the Guildhall Library.

Consequently, the Trustee considers that Guildhall Library Centenary Fund operates to benefit the general public and satisfies the public benefit test.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 19.

## **ACHIEVEMENTS AND PERFORMANCE**

A decision was taken in January 2022 to close the charity given the charity's modest funds and the resulting challenges the charity will face in continuing to meet its charitable purpose in the future. The funds will be spent out in furtherance of the of the charitable purposes of the GLCF, being to advance the education and training of the public, in particular but not exclusively by the provision of library, archives, museum and gallery services. Once spent, the charity will be wound up and removed from the Register of Charities.

## **PLANS FOR FUTURE PERIODS**

Following the decision taken by the Trustees as detailed above, the investments will be sold and the funds will be applied to support education and training at the Guildhall Libraries, the Guildhall Art Gallery and the London Metropolitan Archives (LMA).

The restricted fund relates to a grant of £5,000 to the charity in 2019/2020 to support the conservation and boxing of the Charles Lamb Society Collection. These funds will need to be spent in accordance with the terms of that grant before the charity can be closed.

It is expected that the charity will be closed during the 2024/25 financial year, and therefore the charity is no longer considered to be a going concern.

## **FINANCIAL REVIEW**

### **Overview of Financial Performance**

#### **Income**

In 2023/24 the charity's total income for the year was £735, an overall increase of £411 against the previous year (2022/23: £324) all of which relates to dividends and interest.

#### **Expenditure**

In 2023/24 the charity's total expenditure for the year was £2,065. Total expenditure for 2022/23 was £854 the increase of £1,211 predominately relates to an increase in legal fees incurred throughout the year. The expenditure in the 2023/24 year relates to internal legal fees relating to the proposed closure of the charity of £1,373 (2022/23: £204) and administrative support of £692 (2022/23: £650).

#### **Funds held**

The charity's total funds held decreased by £1,314 to £15,862 as at 31 March 2024 (2022/23: £17,176).

Unrestricted Funds decreased in the year to £10,862 (2022/23: £12,176). There was no change to the Restricted Funds.

Details of all funds held, including their purposes, is set out within note 10 to the financial statements.

#### **Reserves policy**

The decision to wind up the charity, taken on 31 January 2022, also included a decision to release all restrictions on the permanent endowment and spend it out. As such the full value of the permanent endowment was transferred to the unrestricted income funds in the year.

The free reserves of the charity are held to cover working capital needs. The Trustee believes that a minimum amount of £2,000 should be held at present, which will be subject to annual review. As at 31 March 2024 the charity held £10,862 as free reserves, which will be spent out as part of the winding up of the charity as detailed above on page 5.

#### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.



## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a basis other than going concern.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Henry Nicholas Almroth Colthurst, Deputy

Chairman of Finance Committee of  
The City of London Corporation

Guildhall, London

Enter Date

Randall Keith Anderson, Deputy

Deputy Chairman of Finance  
Committee of The City of London  
Corporation

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

Statement of Financial Activities  
for the year ended 31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023/24 Total Funds £	2022/23 Total Funds £
<b>Income from:</b>						
Investments	2	735	-	-	735	324
<b>Total income</b>		735	-	-	735	324
<b>Expenditure on:</b>						
Charitable activities	3	2,065	-	-	2,065	854
<b>Total expenditure</b>		2,065	-	-	2,065	854
Net gains/(losses) on investments	8	-	-	-	-	-
Net unrealised gains/(loss) on investments	8	16	-	-	16	(11)
<b>Net income and net movement in funds</b>		(1,314)	-	-	(1,314)	(541)
<b>Transfers between funds</b>		-	-	-	-	-
<b>Net movement in funds</b>		(1,314)	-	-	(1,314)	(541)
<b>Reconciliation of funds:</b>						
Total funds brought forward	10	12,176	5,000	-	17,176	17,716
<b>Total funds carried forward</b>	10	10,862	5,000	-	15,862	17,176

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 11 to 17 form part of these financial statements.

# BALANCE SHEET

AS AT 31 MARCH 2023

**Balance Sheet  
as at 31 March 2024**

	Notes	2024 Total £	2023 Total £
<b>Fixed assets:</b>			
Investments	8	-	-
<b>Total fixed assets</b>		-	-
<b>Current assets</b>			
Cash at bank and in hand		15,862	17,176
<b>Total current assets</b>		15,862	17,176
<b>Total net assets</b>		15,862	17,176
<b>The funds of the charity:</b>			
Permanent endowment funds	10	-	-
Restricted income funds	10	5,000	5,000
Unrestricted income funds	10	10,862	12,176
<b>Total funds</b>		15,862	17,176

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 11 to 17 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

Enter Date

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The financial statements are not prepared on a going concern basis due to the anticipated closure of the charity.

### (b) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

### (c) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

### (d) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of managed investments.

### (e) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff. Officers of the City Corporation provide administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities.

**(f) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(g) Heritage Assets**

On acquisition, heritage assets are initially recorded in the balance sheet at cost (for those acquired by purchase) or at valuation (for those acquired by donation), where such information is available.

In 2020/21, it was discovered that three paintings hung in Guildhall Art Gallery were legally owned by the Guildhall Library Centenary Fund, following a transfer from another charity in a 2011 scheme (which did not specifically name the assets). The paintings are held to advance education and training of the public in line with the objects of the Charity.

The Trustee does not consider that reliable cost or valuation information can be obtained for the paintings because of their unique features and the lack of comparable market values, and the lack of a valuation at the original date of transfer. Furthermore, the Trustee believes that the cost of obtaining a valuation of these assets would be onerous compared with the benefit that would be derived by users of the financial statements in assessing their stewardship of the assets. The Charity does not therefore recognise these assets on its balance sheet.

In accordance with the requirement of Section 34 of FRS 102 and Section 18 of SORP FRS 102, note 7 to the financial statements provides additional disclosures on the nature and significance of the charity's heritage assets, and access information.

**(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a comparable way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(i) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

**Restricted funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**(j) Indemnity insurance**

The City of London Corporation takes out indemnity insurance in respect of all its activities. The charity does not contribute to the cost of that insurance.

**2. INCOME FROM INVESTMENTS**

**2 Income from investments**

	Unrestricted funds <b>2023/24</b> £	<b>Total</b> <b>2023/24</b> £	Unrestricted funds 2022/23 £	Total 2022/23 £
Interest	735	<b>735</b>	324	324
<b>Total</b>	735	<b>735</b>	324	324

### 3. EXPENDITURE

#### Expenditure on charitable activities

##### 3 Expenditure

##### Expenditure on charitable activities

	Unrestricted funds			Unrestricted funds		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£	£	2023/24 £	£	£	2022/23 £
Conservation of artwork	-	-	-	-	-	-
Other	1,373	692	<b>2,065</b>	204	650	854
<b>Total</b>	<b>1,373</b>		<b>2,065</b>	<b>204</b>		<b>854</b>

The expenditure in the 2023/24 year relates to internal & external legal fees of £1,373 (2022/23: £204) and administrative support of £692 (2022/23: £650), see note 4.

### 4. SUPPORT COSTS

#### 4 Support costs

	Charitable activities £	2023/24 £	2023/23 £
Department:			
Chamberlain	692	<b>692</b>	650
Comptroller & City Solicitor	-	-	-
Town Clerk	-	-	-
Sub-total	692	<b>692</b>	650
<b>Total support costs</b>	<b>692</b>	<b>692</b>	<b>650</b>

Following a review from 2021/22, the City Corporation, as Trustee, took a decision to seek reimbursement for the administration fees incurred from each of its charities.

### 5. AUDITOR'S REMUNERATION

Owing to the size of the charity, no audit or independent examination is required for Guildhall Library Centenary Fund in 2023/24. In 2022/23 no audit fee was charged to the charity.



## 6. TRUSTEE EXPENSES

The members of the Culture, Heritage and Libraries Committee of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

## 7. HERITAGE ASSETS

The Guildhall Library Centenary Fund holds three items which meet the definition of heritage assets, being two paintings by Alexander Ripppingille and one by Sir John Newton, referred to as the 'Harbinger paintings'.

The three paintings are held by the Guildhall Art Gallery which is free to the public and accessible during opening hours; and they are preserved and managed by the staff of the Gallery who are considered to be experts in this field. One painting is currently hanging whilst the other two are in store; members of the public can request a viewing of any paintings not on current display by contacting the Gallery team, and all paintings held in the collection are accessible online via the London Picture Archive.

The paintings are held on a long term basis for use in the charity's objects.

Whilst no reliable cost or valuation information is available, and obtaining such valuation would be onerous given the size and activities of the charity, it is helpful (as per Charity SORP 18.26) for the users of the financial statements to be aware that the insurance values of the three paintings is £22,038.

## 8. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charities Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

### 8 FIXED ASSET INVESTMENTS

	2024	2023
	£	£
Market value 1 April	-	11,423
Additions	-	-
Disposals	-	-
Gain/(Loss) for the year	-	(11,423)
<b>Market value 31 March</b>	<b>-</b>	<b>-</b>

During 2022/23 existing charity pool units were disposed of and the proceeds are now included in the cash total.

## 9. ANALYSIS OF NET ASSETS BY FUND

### 9 Analysis of net assets between funds

At 31 March 2024	Unrestricted funds General funds £	Restricted funds £	Endowment funds £	<b>Total at 31 March 2024</b> £	Total at 31 March 2023 £
Fixed assets - investments	-	-	-	-	-
Current assets	10,862	5,000	-	<b>15,862</b>	17,176
<b>Total</b>	<b>10,862</b>	<b>5,000</b>	<b>-</b>	<b>15,862</b>	<b>17,176</b>

At 31 March 2023	Unrestricted funds General funds £	Restricted funds £	Endowment funds £	<b>Total at 31 March 2023</b> £	Total at 31 March 2022 £
Fixed assets - investments	-	-	-	-	11,421
Current assets	12,176	5,000	-	<b>17,176</b>	6,295
<b>Total</b>	<b>12,176</b>	<b>5,000</b>	<b>-</b>	<b>17,176</b>	<b>17,716</b>

## 10. MOVEMENT IN FUNDS

### 10 Movement in funds

At 31 March 2024	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	Unrealised gains & (losses) £	Transfers £	<b>Total as at 31 March 2024</b> £
Endowment funds:							
Permanent endowment	-	-	-	-	-	-	-
Restricted funds:	5,000	-	-	-	-	-	<b>5,000</b>
Unrestricted funds:							
General funds	12,176	735	(2,065)	-	16	-	<b>10,862</b>
<b>Total funds</b>	<b>17,176</b>	<b>735</b>	<b>(2,065)</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>15,862</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Unrealised gains & (losses) £	Transfers £	<b>Total as at 31 March 2023</b> £
Endowment funds:							
Permanent endowment	-	-	-	-	-	-	-
Restricted funds:	5,000	-	-	-	-	-	<b>5,000</b>
Unrestricted funds:							
General funds	12,717	324	(854)	-	(11)	-	<b>12,176</b>
<b>Total funds</b>	<b>17,717</b>	<b>324</b>	<b>(854)</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>17,176</b>

### Purpose of endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

In 2021/22 restrictions were lifted from the endowment fund and it was transferred to unrestricted funds.

### Purpose of restricted funds

In 2019/20 the charity received a grant of £5,000 to contribute towards specific works at the Guildhall Library, therefore the grant is being held in a Restricted Fund until the works are able to take place.

## 11. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date.

### 11 Related party transactions

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>735 (nil)</b>	324 (nil)	Distribution from the Charities Pool

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Guildhall Library Centenary Fund

Registered charity number: 206950

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas OBE - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**BANKERS:**

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

**INVESTMENT ADVISORS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents:

[PA-ChamberlainSecretariat@cityoflondon.gov.uk](mailto:PA-ChamberlainSecretariat@cityoflondon.gov.uk)

# The City of London Corporation Combined Relief of Poverty Charity

Annual Report and Financial Statements for the year  
ended 31 March 2024

Charity registration number 1073660

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## **ORIGINS OF THE CHARITY**

The charity was established with the name of The Jenner Bequest (1073660) by a Charity Commission Scheme dated 11 December 1996. The charity's funds were derived from part of the residuary estate of Mr Jenner which was originally bequeathed upon trust for the Lord Mayor of London's Fund for the benefit of widows and orphans of Freemen of the City of London. On 9 June 2011, following a review of various charities associated with or under the trusteeship of the City of London, the Charity Commission granted a Scheme to administer The Jenner Bequest as one charity with two other historic charities also benefiting Freemen and/or their families and operating for the relief of need/poverty; and the charity was renamed : "The City of London Corporation Combined Relief of Poverty Charity". The two other charities were the Sir John Philpot's Charity (206932), established by his Will of 1381; and Mary Wilkes's Charity (206934) established by her Will of 18 July 1800.

In October 2018, the assets of the Corporation of London Benevolent Association (COLBA) (charity number 206643), another historic relief of need charity associated with the City Corporation's elected Members, were transferred to CRPC on a restricted basis. The COLBA funds are to be used for the general purposes of the CRPC, subject to the restriction that, where there are competing applications of equal merit, preference must be given to those beneficiaries residing in London who are previous or current elected Members, their dependants, or connected persons; and otherwise, when residing outside London, preference should be given to the widows, widowers, or children of previous and current elected Members. Additionally, in applying the funds for these restricted purposes, the historic connection to the Association is to be recognised.

In the 2020/21 financial year, the very modest assets of the Signor Favale's Marriage Portion Charity were transferred to the CRPC on an unrestricted basis. However, the funds were transferred to the CRPC subject to a wish that that at least one grant made each year is described as "the Signor Favale Grant" .

# **TRUSTEE'S ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

The constitution of this charity is set out in its governing Scheme issued by The Charity Commission for England and Wales on 9 June 2011.

### **GOVERNANCE ARRANGEMENTS**

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a corporation by prescription, is the Trustee of The City of London Corporation Combined Relief of Poverty Charity. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid for support provided to the charity and elected by the electorate of the City of London. The key committees which had responsibility for directly managing matters related to the charity during 2023/24 were as follows:

- The City of London's Children's and Community Services Committee - administers the charity on behalf of the Trustee. This committee comprises Aldermen and Commoners appointed to this committee in accordance with the City of London's usual procedures for committee membership.
- Audit & Risk Management Committee – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity;
- Finance Committee – responsible for approval of the Annual Report and Financial Statements.

All the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. The Charity is managed with reference to the good practices recommended within the Charity Governance Code, ensuring regulatory compliance and the ongoing maintenance of an efficient and effective charity that maximises impact for beneficiaries.



## **OBJECTIVES AND ACTIVITIES**

The charitable object of the charity is the relief of those in need by reason of poverty, old age, ill health, accident or infirmity who are either the widow, widower or child of a Freeman of the City of London or who reside in the City of London or the London Boroughs by the provision of grants, items and services or such other support as the Trustee determines.

Historically, the charity's activities had been captured within the Stronger Communities theme of the City of London Corporation's Central Grants Programme and associated policy. However, in January 2024, The City of London's Children's and Community Services Committee agreed to remove this alignment due to difficulties in attracting applications and expending funds. CFCMT Officers -now seek proposals in line with the charity's objects and strategic approach to funding, enabling flexibility, with recommendations for suitable funding opportunities

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138), a pooling charity for which the City Corporation is also charity trustee established to support the effective investment of small charities' funds. The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain's Department, at the email address stated on page 16.

### **Public benefit statement**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The City of London Corporation Combined Relief of Poverty Charity's aims and objectives and in planning future activities. The purpose of the charity is as stated above.

Consequently, the Trustee considers that The City of London Corporation Combined Relief of Poverty Charity operates to benefit the general public and satisfies the public benefit test.

### **Policy on grant making**

The charity has established its grant making policy to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. The assessment, management and oversight of the Charity's grant making is provided by the Central Funding and Charity Management Team, within the City Bridge Foundation Institutional Department, which is an internal department of The City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the beneficiaries.

## ACHIEVEMENTS AND PERFORMANCE

At the meeting of the Community and Children's Services Committee in September 2020 it was agreed that the City of London Combined Relief of Poverty Charity (CRPC) should seek to make grants that were more strategic to maximise the benefit to beneficiaries. In June 2021 the charity awarded a grant of £60,000 to the First Love Foundation over 12 months to deliver advice and food support to City of London residents and those residing in bordering boroughs. In 2022/23 the charity awarded - a further strategic grant of £82,790 over two years to Family Action to establish a Food Pantry in the City of London. The grant will run into the 2025/26 financial year. Funding delivers a Food Pantry Service to City of London residents and residents in surrounding boroughs run out of Artizan Street Library supporting low-income and vulnerable families in the Aldgate Area. No further strategic grants were awarded in 2023/24 and no applications were received for funding from the Corporation of London Benevolent Association restricted fund.

In 2023/24, the Charity came to be considered within the City of London's Corporate Charities Review (CCR), which aims to ensure that each charity within scope (where the City of London is Trustee) is well managed and governed and achieves maximum impact for its beneficiaries. During this period the CCR reviewed the management and administration of the CRPC and, in consultation with the Department of Community and Children Services officers made recommendations to the Community and Children's Services Committee that further improvements -should be made to the Charity's governance and administration.

In January 2024, the Department of Community and Children Services Committee (DCCS) received the CCR report for the Charity and subsequently agreed a new decision and funding framework effective from April 2024 as follows:

Retention of £169,000 in each financial year to fund recommended applications that meet the COLBA conditions. Applications made to the 'COLBA restricted Fund' to be made via the CFCMT with delegated authority for approval of funds to the appropriate Chief Officer responsible for the CFCMT, in consultation with Chair and Deputy Chair of the Community and Children's Services Committee up to £20,000 per application. Applications above £20,000 to be referred to the Community and Children's Services Committee in the confidential section. Any grants approved would be described as being a 'Corporation of London Benevolent Association Grant'.

Where possible, having regard to the wishes expressed and agreed to by the CRPC in receiving the funds from Signor Favale's Marriage Portion Charity, that at least one grant made each year is described as "the Signor Favale Grant".

The CFCMT to continue a strategic approach to funding activities, in consultation with DCCS officers.

The CFCMT to engage with key stakeholders, in consultation with DCCS, to develop grant funding proposals, with applications sought on a closed or open basis, as appropriate.

The CFCMT to engage with key stakeholders, in consultation with DCCS, to develop grant funding proposals, with applications sought on a closed or open basis, as appropriate.

The Head of CFCMT to have delegated authority to consider and award grants up to £10,000 in accordance with the charity’s objects; with decisions for grants over £10,000 and up to £20,000 referred to the appropriate Chief Officer responsible for the CFCMT, in consultation with Chair and Deputy Chair of the Community and Children’s Services Committee; and any decision over £20,000 being referred to Community and Children’s Services Committee.

To keep under review and make recommendations to Trustees on the management and operation of the charity, including proposals for funding criteria, with recommendations presented for approval as appropriate.

## PLANS FOR FUTURE PERIODS

In the first 6 Months of 2024/25 the Central Funding and Charity Management Team (CFCMT), which is responsible for the charity’s day-to-day administration, will implement the recommended governance and administration changes to the CRPC while providing ongoing monitoring and evaluation of the Family Action grant.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity’s total income for the year was £18,133, a decrease of £836 from the previous year (£18,969). All income received was from investments.

#### Expenditure

Total expenditure for the year was £3,297 (2022/23: £86,019). In the year, there were £3,297 of support costs (2022/23: £3,229) incurred in administering the charity. No grants were awarded in the financial year.

#### Investment performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
City of London Charities Pool	9.03%	7.62%	14.06%	5.64%
FTSE All Share	8.05%	5.44%	13.81%	5.04%
Fund outperformance	0.98%	2.18%	0.26%	0.61%

## **Funds held**

The charity's total funds held increased by £56,559 (12.4%) to £512,628 at 31 March 2024 (2022/23: £456,069). Within the total funds held, £124,379 represents expendable and permanent endowment funds (2022/23: £113,260) of which £4,255 (2022/23: £3,875) are permanently endowed funds which are held in perpetuity as a capital fund to generate income for the primary objectives of the charity. Any income arising from endowment funds is accounted for within unrestricted funds.

A restricted fund of £359,849 (2022/23: £330,644) was held at year-end. Unrestricted income funds amounted to £28,400 (2022/23: £12,165). These funds are held for use in future years in accordance with the objectives of the charity. Details of all funds held, including their purposes, is set out within Note 9 to the financial statements.

## **Reserves**

This Reserves Policy is to maintain the endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation as charity trustee, and use the investment income, together with other funds, in accordance with the objectives of the charity. The Trustee has the discretion to decide to distribute the expendable endowment, in addition to the unrestricted fund as grants as deemed appropriate. The restricted fund must be distributed in accordance with the restrictions attached to the fund that where there are competing applications of equal merit, preference must be given to those beneficiaries residing in London who are previous or current elected Members, their dependents or connected persons; and otherwise when residing outside London preference should be given to the widows, widowers or children of previous and current elected Members; and further that, in applying the funds for these restricted purposes, the historic connection to The Corporation of London Benevolent Association (206643) is recognised.

The free reserves of the charity are held to cover working capital needs. The Trustee believes that a minimum amount of £10,000 should be held in reserves at present, which will be subject to annual review. At 31 March 2024, the charity held £28,400 as free reserves, amounts which are available to support charitable activities in future years. The charity currently holds free reserves in line with its target.

## **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team within the City Corporation ensures that risk management policies are applied, that there is an on-going review of charity activity, and that appropriate advice and support is provided. As part of the wider work of the Corporate Charity Review, risk registers have been developed and reported to the relevant Committees acting as Trustee. The Combined Relief of Poverty Charity has a risk register which is monitored by officers and reported to Committee when updates on the Charity are tabled.

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds	Endowment Funds £	2024 Total Funds £	2023 Total Funds £
<b>Income from:</b>						
Investments	2	18,133	-	-	<b>18,133</b>	18,969
<b>Total income</b>		<b>18,133</b>	-	-	<b>18,133</b>	18,969
<b>Expenditure on:</b>						
Charitable activities	3	3,297	-	-	<b>3,297</b>	86,019
<b>Total expenditure</b>		<b>3,297</b>	-	-	<b>3,297</b>	86,019
Net (losses)/gains on investments	7	1,309	29,205	11,119	<b>41,633</b>	(9,811)
Net (losses) on short term deposit		90	-	-	<b>90</b>	(67)
<b>Net (expenditure) and net movement in funds</b>		<b>16,235</b>	<b>29,205</b>	<b>11,119</b>	<b>56,559</b>	<b>(76,928)</b>
<b>Net movement in funds</b>		<b>16,235</b>	<b>29,205</b>	<b>11,119</b>	<b>56,559</b>	<b>(76,928)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	10	12,165	330,644	113,260	<b>456,069</b>	532,997
<b>Total funds carried forward</b>	10	<b>28,400</b>	<b>359,849</b>	<b>124,379</b>	<b>512,628</b>	456,069

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 9 to 15 form part of these financial statements.

# BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 Total £	2023 Total £
<b>Fixed assets</b>			
Investments	7	465,697	424,064
<b>Total fixed assets</b>		<b>465,697</b>	<b>424,064</b>
<b>Current assets</b>			
Cash at bank and in hand		86,601	114,795
<b>Total current assets</b>		<b>86,601</b>	<b>114,795</b>
<b>Creditors: Amounts falling due within one year</b>	8	<b>(39,670)</b>	<b>(82,790)</b>
<b>Net Current Assets</b>		<b>46,931</b>	<b>32,005</b>
<b>Total Net Assets</b>		<b>512,628</b>	<b>456,069</b>
<b>The funds of the charity:</b>			
Endowment funds	10	124,379	113,260
Restricted income funds	10	359,849	330,644
Unrestricted income funds	10	28,400	12,165
<b>Total funds</b>		<b>512,628</b>	<b>456,069</b>

The notes on pages 9 to 15 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain and Chief Financial Officer

XX January 2025

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from its investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of signing these financial statements to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due. The policy of only approving grant commitments from available unrestricted income, provides the flexibility to ensure the long-term viability of the charity. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

#### **(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

#### **(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of managed investment income and interest.

#### **(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities. 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. The liability can only be derecognised where payment of a grant award is no longer probable.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required and these costs are recharged to the charity.

#### **(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

#### **(i) Funds structure**

Income, expenditure, gains and losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.



**Expendable endowment fund** – this fund consists of funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity, which is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

**Restricted funds** – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the restricted, permanent and expendable endowment funds and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

**(j) Insurance**

The charity, elected Members and staff supporting the charity’s administration are covered by the City Corporation’s insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City’s Cash.

**2. INCOME FROM INVESTMENTS**

	<b>Unrestricted funds 2024 £</b>	Unrestricted funds 2023 £
Investment income	<b>14,080</b>	16,771
Interest	<b>4,053</b>	2,198
<b>Total</b>	<b>18,133</b>	18,969

**3. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Direct costs £	Support costs £	<b>Total 2024 £</b>	Total 2023 £
Grants awarded - Unrestricted	-	3,297	<b>3,297</b>	51,950
Grants awarded - Restricted	-	-	-	34,069
<b>Total</b>	-	<b>3,297</b>	<b>3,297</b>	86,019

#### 4. ANALYSIS OF SUPPORT COSTS

	<b>Charitable activities</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Independent examination fees	-	-	-
Legal fees	405	<b>405</b>	162
Management Fees	2,892	<b>2,892</b>	3,067
<b>Total Support Costs</b>	<b>3,297</b>	<b>3,297</b>	3,229

Support costs are allocated to charitable activities on the basis of direct costs.

#### 5. ANALYSIS OF GRANTS

<b>Reconciliation of grants payable:</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Commitments at 1 April	<b>82,790</b>	-
Commitments made in the year	-	82,790
Grants paid in the year	<b>(43,120)</b>	-
<b>Commitments at 31 March</b>	<b>39,670</b>	82,790

No grants were awarded during the financial year.

#### 6. TRUSTEE EXPENSES

The City of London Corporation, acting by the Court of Aldermen as Trustee, received reimbursement of management and admin fees recharged to the charity of £3,297 (2022/23: £3,229); refer to Note 12.

#### 7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2024</b>	2023
	£	£
Market value 1 April	424,064	433,875
(Loss)/gain for the year	41,633	(9,811)
<b>Market value 31 March</b>	<b>465,697</b>	424,064
<b>Cost 31 March</b>	320,941	320,941
Units held in Charities Pool	46,832	46,832

The type of listed investments held at 31 March was as follows:

	Held in the UK	Held outside the UK	<b>Total at 31 March 2024</b>	Held in the UK	Held outside the UK	Total at 31 March 2023
	£	£	£	£	£	£
Equities	391,838	51,015	<b>442,853</b>	344,086	57,673	401,759
Pooled Units	17,371	-	<b>17,371</b>	13,909	-	13,909
Cash held by Fund Manager	5,473	-	<b>5,473</b>	8,396	-	8,396
<b>Total</b>	414,682	51,015	<b>465,697</b>	366,391	57,673	424,064

## 8. CREDITORS- Amounts due within one year

	<b>2024</b>	2023
	£	£
Grants awarded	-	82,790

## 9. ANALYSIS OF NET ASSETS BY FUND

<b>At 31 March 2024</b>	Unrestricted funds	Restricted funds	Endowment funds	<b>Total at 31 March 2024</b>
	£		£	£
Fixed assets - Investments	14,648	326,670	124,379	465,697
Current assets	13,752	33,179	-	46,931
Current liabilities	-	-	-	-
<b>Total</b>	<b>28,400</b>	<b>359,849</b>	<b>124,379</b>	<b>512,628</b>

<b>At 31 March 2023</b>	Unrestricted funds	Restricted funds	Endowment funds	<b>Total at 31 March 2023</b>
	£		£	£
Fixed assets - Investments	13,338	297,466	113,260	424,064
Current Assets	48,827	65,968	-	114,795
Current liabilities	(50,000)	(32,790)	-	(82,790)
<b>Total</b>	<b>12,165</b>	<b>330,644</b>	<b>113,260</b>	<b>456,069</b>

## 10. MOVEMENT IN FUNDS

<b>At 31 March 2024</b>	Total as at 1 April 2023 £	Income £	Expenditure £	Gains & (losses) £	<b>Total as at 31 March 2024 £</b>
Endowment Funds					
Expendable	109,385	-	-	10,739	<b>120,124</b>
Permanent	3,875	-	-	380	<b>4,255</b>
<b>Total Endowment Funds</b>	<b>113,260</b>	<b>-</b>	<b>-</b>	<b>11,119</b>	<b>124,379</b>
Restricted Funds	330,644	-	0	29,205	<b>359,849</b>
<b>Total Restricted Funds</b>	<b>330,644</b>	<b>-</b>	<b>0</b>	<b>29,205</b>	<b>359,849</b>
General Funds	12,165	18,133	(3,297)	1,399	<b>28,400</b>
<b>Total General Funds</b>	<b>12,165</b>	<b>18,133</b>	<b>(3,297)</b>	<b>1,399</b>	<b>28,400</b>
<b>Total Funds</b>	<b>456,069</b>	<b>18,133</b>	<b>(3,297)</b>	<b>41,723</b>	<b>512,628</b>

At 31 March 2023	Total as at 1 April 2022 £	Income £	Expenditure £	Gains & (losses) £	Total as at 31 March 2023 £
Endowment Funds					
Expendable	111,916	-	-	(2,531)	109,385
Permanent	3,965	-	-	(90)	3,875
<b>Total Endowment Funds</b>	<b>115,881</b>	<b>-</b>	<b>-</b>	<b>(2,621)</b>	<b>113,260</b>
Restricted Funds	371,595	-	(34,069)	(6,882)	330,644
<b>Total Restricted Funds</b>	<b>371,595</b>	<b>-</b>	<b>(34,069)</b>	<b>(6,882)</b>	<b>330,644</b>
General Funds	45,521	18,969	(51,950)	(375)	12,165
<b>Total General Funds</b>	<b>45,521</b>	<b>18,969</b>	<b>(51,950)</b>	<b>(375)</b>	<b>12,165</b>
<b>Total Funds</b>	<b>532,997</b>	<b>18,969</b>	<b>(86,019)</b>	<b>(9,878)</b>	<b>456,069</b>

### Purpose of the endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity and represents the original assets transferred from the Mary Wilkes's Charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

The expendable endowment fund represents the original expendable endowment of the charity and can be utilised at the discretion of the trustee.

### Purposes of restricted funds

This fund holds the net assets that were transferred in October 2018 from the now closed Corporation of London Benevolent Association (charity number: 206643) (COLBA). These funds are to be held as a restricted income fund to be applied for the general purposes of the CRPC, subject to the restriction that where there are competing applications of equal merit, preference must be given to those beneficiaries residing in London who are previous or current elected Members, their dependents or connected persons; and otherwise when residing outside London preference should be given to the widows, widowers or children of previous and current elected Members; and further that, in applying the funds for these restricted purposes, the historic connection to the Association is recognised.

### Unrestricted income funds

These funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

## 11. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £	2022/23 £	Detail of transaction
Charities Pool Charity registration no. 1021138 City of London Corporation	The charity's investments are held in units of London Charities Pool	<b>14,080</b> (-)	16,771 (-)	Distribution from the Charities Pool
City of London Corporation	The City of London Corporation is the Trustee for the charity	<b>3,297</b>	3,229	Management and administration fees (also includes the audit fee and finance time, no role of CGU)

## **REFERENCE AND ADMINISTRATION DETAILS**

**CHARITY NAME:** The City of London Corporation Combined Relief of Poverty Charity

Registered charity number: 1073660

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**BANKERS:**

Lloyds Bank Plc., P.O. 1000 BX1 1LT

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management LLP, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

Charities Administered in Connection with (ICW)  
the City of London Freemen's School (CLFS)

Annual Report and Financial Statements for the  
year ended 31 March 2024

Charity registration number 312120

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## **ORIGINS OF THE CHARITY**

The City of London Corporation was appointed by the Charity Commission for England and Wales on 30 November 2011 as Trustee of the charitable funds governed by the Charities Administered in Connection with the City of London Freemen's School.

On 22 March 2022, the Charity Commission granted a further scheme, which altered and amended the 2011 scheme to merge the 23 individually held funds of any of those charities comprised in the Charities Administered ICW the CLFS which hold permanent endowment, to release the capital from its endowment restrictions to create a single fund with consolidated objectives, known as the CLFS Prizes Fund.

The funds of the charity are used to provide prizes in various subjects at the City of London Freemen's School. In the past, funds have also been used to assist children to study various subjects at the School and to aid former pupils who have gone on to study at universities.

# TRUSTEE'S ANNUAL REPORT

## STRUCTURE AND GOVERNANCE

### GOVERNING DOCUMENTS

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.

During 2022/23, the charity submitted resolutions to the Charity Commission resolving to effect the merger of any of those charities comprised in the Charities Administered ICW the CLFS which hold permanent endowment, to release the capital from its endowment restrictions and to replace with the following purposes:

- the promotion of education (including physical education) by the provision of prizes or other suitable rewards or marks of distinction to pupils and former pupils at the City of London Freemen's School;
- the property of all funds shall be transferred to Fund 1 (the "new" general prizes charity) to hold as a restricted fund for the new purposes;
- the "Robert Sayers Youngs Trust Fund" has been identified as the general prizes charity and it has been resolved to change its name to "CLFS Prizes Fund".

The Charity Commission granted this scheme on 14 March 2022.

### GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of the Charities Administered ICW the City of London Freemen's School. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London

The key Committee which has responsibility for directly managing matters related to the charity is the Board of Governors of the City of London Freemen's School, which is ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be

clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The objectives of the charity are to provide funds by awarding prizes in various subjects, and to assist children to study various subjects at school and also to aid school pupils who have gone on to university.

## **INVESTMENT POLICY**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 17.

## **PUBLIC BENEFIT STATEMENT**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities Administered ICW the City of London Freeman's School's aims and objectives and in planning future activities. The purposes of the charity are to provide funds to assist children to study various subjects at school, and for some of the older funds, to aid school pupils who have gone on to university. Funds are also provided for prizes in various subjects.

Consequently, the Trustee considers that the Charities Administered ICW the City of London Freeman's School operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 17.

## **ACHIEVEMENTS AND PERFORMANCE**

The school awarded 269 prizes during the year (2022/23: 247).

## **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.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 10.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2023/24 the charity's total income for the year was £8,652, an overall reduction of £7,298 against the previous year (2022/23: £15,950, an overall reduction of £2,889 against the previous year).

Income from charitable activities comprised £0 from donations received (2022/23: £6,997). Investment income was £7,257 (2022/23: £8,645) and interest from cash balances was £1,395 (2022/23: £309).

#### Expenditure

Total expenditure for the year was £31,539 (2022/23: £9,161), of which £31,539 related to charitable activities and £4,276 related to support costs. This expenditure on charitable activities consisted of prizes awarded to pupils at the school.

#### Investments performance

Over the course of 2023/24 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +14.18% which was above the FTSE All Share Index benchmark return of +8.43% (2022/23: the investment strategy gained +2.22% versus +2.92% from the benchmark). Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown in the table below. The Charities Pool invests in the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities, and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2023/24		2022/23	
	3 year	5 year	3 year	5 year
Fund	9.03%	7.62%	14.06%	5.64%
FTSE All Share	8.05%	5.44%	13.81%	5.04%
Fund outperformance	+0.98%	+2.18%	+0.25%	+0.60%

#### Funds held

The charity's total funds held reduced by £1,396 (0.6%) to £243,679 as at 31 March 2024 (2022/23: total funds held increased by £1,745 (0.7%) to £245,075 as at 31 March 2023). Investment income and gains on investments held within the City of London Charities Pool based on valuations as at 31 March 2024 were offset by increased expenditure on charitable activities resulting in a slight reduction in funds held (2022/23: Investment income was mostly offset by losses on investments held within the City of London Charities Pool based on valuations as at 31 March 2023 resulting in only a slight increase in funds held).

Restricted funds of the charity amount to £243,679 (2022/23: £245,075) and are comprised of voluntary and investment income. Any undistributed restricted income is held for use in future years in accordance with the objectives of the charity.

Income of £4,276 (2022/23: £1,709) arising from the capital held in the restricted funds was credited to the unrestricted fund and was offset by an equal amount of expenditure £4,276 (2022/23: £1,709).

Details of all funds held, including their purposes, is set out within note 8 to the financial statements.

### **Reserves policy**

The charity holds an endowment fund, for which it maintains the capital base and uses the investment income in accordance with the objectives of the charity. Further to this, it holds a restricted fund which is utilised in accordance with the wishes of its donors. The free reserves of the charity are held to cover working capital needs. The trustee believes that an amount of £1,600 is required to be held as it represents 12 months of administration costs, which will be subject to annual review.

Current free reserves held are £243,679; this is above the minimum required, which is being factored into plans for future periods, including those noted on page 5.

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

## STATEMENT OF FINANCIAL ACTIVITIES

### FOR THE YEAR ENDED 31 MARCH 2024

				2023/24	2022/23
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>Income from:</b>					
Voluntary income	2	-	8,910	<b>8,910</b>	6,997
Investments	3	30,849	(22,197)	<b>8,652</b>	8,954
<b>Total income</b>		30,849	(13,287)	<b>17,562</b>	15,950
<b>Expenditure on:</b>					
Charitable activities	4	30,849	690	<b>31,539</b>	9,161
<b>Total expenditure</b>		30,849	690	<b>31,539</b>	9,161
Net gains/ (losses) on investments	8	-	21,492	<b>21,492</b>	(5,044)
<b>Net income/(expenditure) and net movement in funds</b>		-	7,514	7,514	1,745
<b>Reconciliation of total funds:</b>					
Brought forward	7, 8	-	245,075	<b>245,075</b>	243,330
<b>Carried forward</b>	7, 8	-	252,589	<b>252,589</b>	245,075

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 10 to 16 form part of these financial statements.



**BALANCE SHEET****AS AT 31 MARCH 2024**

	Notes	<b>2024 Total £</b>	<b>2023 Total £</b>
<b>Fixed assets:</b>			
Investments	6	<b>240,150</b>	218,689
<b>Total fixed assets</b>		<b>240,150</b>	218,689
<b>Current assets</b>			
Cash at bank and in hand		<b>12,439</b>	26,386
<b>Total current assets</b>		<b>12,439</b>	26,386
<b>Total net assets</b>		<b>252,589</b>	245,075
<b>The funds of the charity:</b>			
Restricted funds	7, 8	<b>252,589</b>	245,075
<b>Total funds</b>		<b>252,589</b>	245,075

The notes on pages 10 to 16 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London & Chief Financial Officer

XX July 2024

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from donations and investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, as they fall due. The policy of only approving commitments from available income provides the flexibility to ensure the long-term viability of the charity. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

**(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, investment income and interest.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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.

The charity does not employ any staff. Officers of the City Corporation provide additional administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek full reimbursement for the administration incurred from each of its charities.

**(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(i) Funds structure**

Income, expenditure, and gains/losses are allocated to particular funds according to their purpose:

**Restricted funds** – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

The restricted funds include the previous funds of the permanent endowment which were released from their endowment restrictions in 22/23.

**Unrestricted funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent endowment funds.

**(j) Insurance**

The charity, elected Members, and staff supporting the charity’s administration are covered by the City Corporation’s insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City’s Cash.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

	<b>Restricted funds 2023/24 £</b>	<b>Restricted funds 2022/23 £</b>
Donations and legacies	<b>8,910</b>	6,997

### 3. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2023/24 £
Investment income	4,276	2,981	7,257
Interest	-	1,395	1,395
<b>Total</b>	<b>4,276</b>	<b>4,376</b>	<b>8,652</b>

	Unrestricted funds £	Restricted funds £	Total 2022/23 £
Investment income	1,709	6,936	8,645
Interest	-	309	309
<b>Total</b>	<b>1,709</b>	<b>7,245</b>	<b>8,954</b>

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted funds	Total
	Direct costs	Support costs	Direct costs	
	£		£	£
<b>2023/24</b>				
Prizes awarded	-	30,849	690	31,539
<b>2022/23</b>				
Prizes awarded	10	1,699	7,452	9,161

Charitable activities consist of 247 prizes awarded to individuals (2022/23: 247 prizes).

### 5. TRUSTEE'S EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2023/24 (2022/23: nil).

### 6. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>Total 2024</b>	Total 2023
	£	£
Market value 1 April	<b>218,689</b>	223,733
Gain / (loss) for the year	<b>21,460</b>	(5,044)
<b>Market value 31 March</b>	<b>240,150</b>	218,689
<b>Cost 31 March</b>	<b>141,978</b>	141,978
Units held in Charities Pool	<b>24,140</b>	24,140

The type of listed investments held as at 31 March was as follows:

	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	£	£
Equities	<b>228,358</b>	207,186
Pooled Units	<b>8,958</b>	7,173
Cash held by Fund Manager	<b>2,834</b>	4,330
<b>Total</b>	<b>240,150</b>	218,689

## 7. ANALYSIS OF NET ASSETS BY FUND

### At 31 March 2024

	Unrestricted funds	Restricted funds	<b>Total at 31 March 2024</b>	Total at 31 March 2023
	£	£	£	£
Fixed assets - investments	-	240,150	<b>240,150</b>	218,689
Current assets	-	12,439	<b>12,439</b>	26,386
<b>Total</b>	-	252,589	<b>252,589</b>	245,075

### At 31 March 2023

	Unrestricted funds	Restricted funds	Total at 31 March 2023	Total at 31 March 2022
	£	£	£	£
Fixed assets - investments	-	218,689	218,689	223,733
Current assets	-	26,386	26,386	19,597
<b>Total</b>	-	245,075	245,075	243,330

## 8. MOVEMENT IN FUNDS

	Total 1 April 2023 £	Income £	Expendi- ture £	Gains / (Losses) £	Total at 31 March 2024 £
<b>At 31 March 2024</b>					
Unrestricted funds	-	30,849	(30,849)	-	-
Restricted funds	245,075	(13,287)	(690)	21,492	<b>252,589</b>
<b>Total funds</b>	<b>245,075</b>	<b>17,562</b>	<b>(31,539)</b>	<b>21,492</b>	<b>252,589</b>
		-	-	-	

	Total 1 April 2022 £	Income £	Expendi- ture £	Gains / (Losses) £	Total at 31 March 2023 £
<b>At 31 March 2023</b>					
Unrestricted funds	-	1,709	(1,709)	-	-
Restricted funds	243,330	14,241	(7,452)	(5,044)	245,075
<b>Total funds</b>	<b>243,330</b>	<b>15,950</b>	<b>(9,161)</b>	<b>(5,044)</b>	<b>245,075</b>

A gain of £21,492 (2022/23: loss of £5,044) occurred on investments, based on valuations as at 31 March 2024.

### Purpose of restricted funds

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.

### Purpose of unrestricted funds

These funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent endowment funds.

## 9. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Related party	Connected party	2023/24	2022/23	Detail of transaction
		£	£	
Charities Pool	The Trustee of the charity	7,257	8,645	Distribution from the Charities Pool
City of London Corporation	The City of London Corporation is the Trustee of the charity	4,276	1,699	Management and administration fees



## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Charities administered ICW the City of London Freeman's School

Registered charity number: 312120

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

Ian Thomas CBE - the Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - the Comptroller and City Solicitor of the City of London Corporation

**BANKERS:**

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain & Chief Financial Officer, to request copies of governance documents:

[CHBOffice-BusinessSupport@cityoflondon.gov.uk](mailto:CHBOffice-BusinessSupport@cityoflondon.gov.uk)

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## City of London Corporation Committee Report

<b>Committee(s):</b> Audit and Risk Committee – for noting	<b>Dated:</b> 04/11/2024
<b>Subject:</b> External Auditor’s Annual Report 2023-24 – City Fund	<b>Public</b>  For noting
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Chamberlain	
<b>Report author:</b> Iain Jenkins, Chief Accountant	

### Summary

The external auditor’s Annual Audit Report summarises all of the work that Grant Thornton have undertaken in relation to the City Fund during 2023-24. The report includes their commentary on the City Fund’s Value for Money (VfM) arrangements.

### Recommendation

The Audit and Risk Management Committee is asked to:

- **Consider** the Auditor’s Annual Audit Report 2023-24 as set out in Appendix 1

### Main Report

#### Background

1. The 2023-24 Statement of Accounts for the City Fund have been audited by Grant Thornton. This also includes the accounts for the Pension Fund. Grant Thornton’s Audit Findings Report was presented to the Audit and Risk Committee at the meeting on 23 September 2024.
2. Finance Committee approved the 2023-24 Statement of Accounts for the City Fund on 24 September 2024 and agreed that the Financial Statements be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

3. The audit of the financial statements was subsequently concluded, and Grant Thornton issued their unqualified audit opinion on 17 October 2024. The final audited accounts for the City Fund, including the Pension Fund accounts, have been published and are available to view on the Corporation's website here: [link](#)

### **Current Position**

4. At the time of presenting the external auditor's Audit Findings Report to the Committee in September, the work on Value for Money had yet to be completed. The VfM work has since been concluded and is set out within the Annual Audit Report at Appendix 1.
5. The auditors are required to report their commentary on the City Fund's arrangements under specified criteria in relation to VfM –
  - a. Financial sustainability
  - b. Governance
  - c. Improving economy, efficiency and effectiveness (the 3 Es)
6. No significant risks or weaknesses have been identified against either of these areas by the external auditor, although some improvement recommendations have been made. These recommendations have been included within the Auditor's Annual Report together with management responses from the City Fund.

### **Corporate & Strategic Implications**

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications – Recommendations to improve Value for Money scrutiny are responded to within Appendix 1

Resource implications – None

Legal implications – None

Risk implications – Recommendations relating to risk management are responded to within Appendix 1.

Equalities implications – None

Climate implications – None

Security implications – None

### **Conclusion**

7. The audit of the City Fund and Pension Fund Statement of Accounts for 2023-24 has concluded, with an unqualified opinion being issued by the external auditor. The auditor's assessment for the City Fund's VfM arrangements has also taken

place. No significant risks or weaknesses have been identified, but improvement recommendations have been raised.

8. The audit of the City Fund's Whole of Government Accounts (WGA) submission is still to take place, after which point Grant Thornton will be able to issue their audit certificate to formally close their work for 2023-24.

## **Appendices**

- Appendix 1 – City Fund 2023-24 Auditor's Annual Report

## **Background Papers**

Audit and Risk Management Committee 23 September 2024 - City Fund and Pension Fund, Audit Findings Update

### **Iain Jenkins**

Chief Accountant

E: [iain.jenkins@cityoflondon.gov.uk](mailto:iain.jenkins@cityoflondon.gov.uk)

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# City of London Corporation – City Fund

**Auditor's Annual Report for the year ended  
31 March 2024**

November 2024

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for City of London Corporation – City Fund during 2023-24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

All local authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. City Fund's responsibilities are set out in Appendix A.

Local authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of City Fund as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

### Value for money

We report our judgements on whether City Fund has proper arrangements in place regarding arrangements under the three specified criteria:

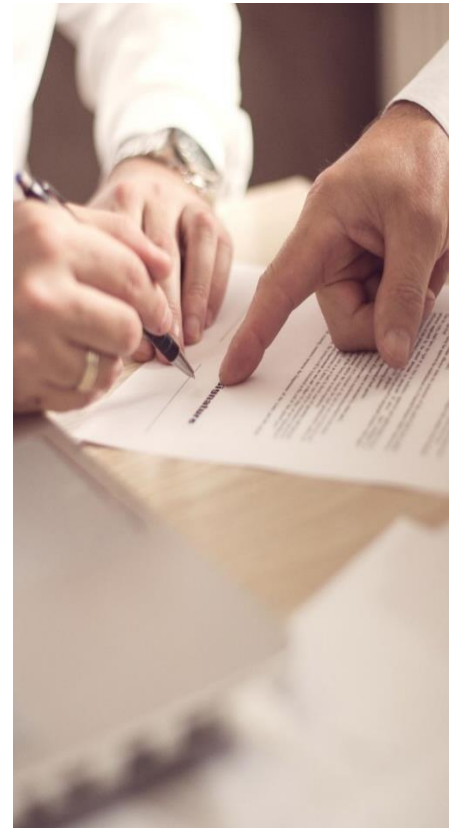
- financial sustainability
- governance
- improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

### Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 12 with a commentary on whether any of these powers have been used during this audit period.



# Executive summary



# Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether City Fund has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO, in its consultation of February 2024, indicated that it will in future require auditors to share a draft Auditor's Annual Report ("the Report") with those charged with governance by a nationally set deadline each year and for the audited body to publish the Report thereafter. The outcome of the NAO's consultation on the Code is dependent upon the decisions made by the new government elected on 4 July 2024. These decisions are awaited at the time of drafting this report. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. We are therefore sharing this report with you in advance of the new NAO Code being introduced. In the event that any new audit requirements are introduced when the Code is published, we will revisit these before finalising this report. Our summary findings are set out below.



## Financial sustainability

For 2023-24 City Fund produced a £46m surplus, allowing for a contribution to reserves. The surplus was achieved due to better than anticipated performance in investment income due to prevailing high interest rates, unused contingencies, slippage in Supplementary Revenue Projects and rental income from investment properties. Despite the positive overall position, City Fund experienced pressures in certain areas which were offset by surpluses elsewhere within the organisation. Pressures are observed in Community and Children's Committee and Port Health and Environmental Services.

2023-24 and prior years savings have been identified and delivered via the Target Operating Model (TOM), Fundamental Review and 12% Reduction. These programmes have now exhausted new savings that can be identified and seek to deliver already identified savings in the medium-term. City Fund will not have a new savings program in 2024-25, to allow services space to rethink their delivery models. The Resources and Priorities Refresh Programme (RPR) is expected to replace prior year savings programmes and is currently in the design phase.

City Fund set a balanced budget for 2024-25 which includes a further contribution to reserves of £21.7m. In the medium-term, between 2024-25 and 2027-28, a cumulative surplus position of £10.1m is forecast, although budget gaps are expected in the latter years of the Plan.

The 2023-24 outturn and 2024-25 budget and Medium-Term Financial Plan (MTFP) cites Adult Social Care, Children's Social Care and Temporary Accommodation as cost pressures. These are common pressure in the sector and, although City Fund has a relatively low population requiring these services, these areas of expenditure highlight an opportunity to analyse cost, demand and supply side factors, and develop targeted solutions impacting future MTFP gaps.

The City's significant Operational Property Portfolio requires a large volume of repairs and maintenance which have built up due to several years' funding constraints. City Fund set aside £145m within a Cyclical Works Reserve to fund this over 5 years. The Barbican Arts Centre is central to the programme however repairs work is expected to far exceed the sums set aside. As the business case develops, programme assumptions will need to be reviewed to ensure they can be appropriately financed.

City Fund is a provider of social housing and maintains a Housing revenue Account (HRA). HRA reserves remain low but stable in 2023-24. This is expected to continue into 2024-25 and 2025-26 with improvement in later years of the HRA 5-year plan. The low HRA reserve position was caused by escalating costs of Emergency Building Repairs in recent years, partly attributable to poor performance of the incumbent contractor, as well as inflation pressures.

Overall, we believe arrangements to achieve financial sustainability are in place. We have identified some improvement recommendations, predominantly focussed on reviewing assumptions within various aspects of the budget, HRA and capital programme to increase accuracy.

# Executive summary



## Governance

City Fund continues to use a well-established and understood Risk Management Framework. Risks are effectively reviewed by Members throughout the year which resulted in a set of risks reflective of the environment City Fund operates in. Our prior year improvement recommendation was addressed by the development of an updated Risk Management Strategy, due to be implemented alongside a supporting Policy in 2024-25. Improvements are also being made as a result of a review of risk appetite and culture by external experts. Given the changes taking place, it would be beneficial for City Fund to gain assurances on the effectiveness of the new arrangements as they embed.

Internal Audit's annual report provided positive assurances on City Fund's system of internal control; however, it is noted that capacity issues in the Internal Audit function meant a smaller than anticipated programme of work was undertaken to deliver the 2023-24 opinion. It was made clear by the Head of Internal Audit that this approach was not sustainable, and if it continued would impact the ability of the service to provide an opinion in future years. We reviewed Internal Audit arrangements in detail and observed a weakness in arrangements in relation to Internal Audit capacity, however we do not deem this to be a significant weakness and have raised an improvement recommendation. City Fund has already taken steps to improve Internal Audit capacity in 2024-25, and at the time of writing the Internal Audit function is considered to be fully staffed. Further investment may be required to build resilience in the Internal Audit function. Resourcing and delivery will require close monitoring to ensure that capacity issues do not recur and to confirm that actions taken to date improve Internal Audit outcomes.

The budget setting process remains robust and consistent with the prior year for the 2024-25 budget. Despite strong arrangements being observed in the prior year City Fund proactively sought iterative improvements in the 2025-26 process, including enhanced internal stakeholder engagement via deep dive sessions led by Finance with Chief Officers and their teams, and Executive Leadership Board workshops. Budget monitoring continues to be effective as financial performance is reviewed sufficiently regularly and in appropriate detail to aid Members in their decision-making.

City Fund is well-supported by its Audit & Risk Management Committee. A review to evaluate the Committee's effectiveness, balance of skills and expertise and assessment of good practice was undertaken in-year and demonstrated that the Committee is perceived to be performing effectively with some areas of improvement, which are being taken forward in 2024-25.

City Fund is preparing for the impact of new Procurement Act 2023 regulations which take effect in February 2025. To maximise compliance with the new Act and City Fund's updated policies, training will be required to support staff in applying these policies.

Overall, we believe governance arrangements are designed effectively, and we have identified some improvement recommendations.

# Executive summary



## Improving economy, efficiency and effectiveness

City Fund developed and approved a new Corporate Plan for 2024-2029. It is accompanied by the creation of a suite performance metrics to monitor progress against corporate objectives. The organisation has committed to publishing an annual progress report on the new Corporate Plan and intends to benchmark metrics when possible. As such, action has been taken to respond to our prior year recommendation in this area that is expected to be evidenced in full at the end of 2024-25.

City Fund demonstrated positive performance in terms of complaints escalated to the Ombudsman in-year, of which there were none. Internally, complaints data collection and monitoring is somewhat inconsistent and there is opportunity to improve this.

In preparation for an expected CQC inspection in Adult Social Care Services in 2024-25 City Fund has undertaken a self-assessment against the Adult Social Care Self-Assessment Framework and a Local Government Association Peer Review. Outcomes are positive, and areas for improvement have been highlighted. The findings from these two assessments have informed the internally developed Adult Social Care Service Improvement Plan, which is expected to be delivered in 2024-25. Robust governance arrangements to monitor progress against the Plan are in place.

City Fund has prioritised improved resident engagement through initiatives such as City Question Time events and the appointment of a Resident Campaigns and Communications Manager. Additionally, the development of the People Strategy reflects a commitment to inclusivity, employee involvement, and long-term organisational development.

City Fund maintains a Contracts Register and reporting of the register is improved to ensure compliance with the requirements of the new Procurement Act regulations, ahead of their effective date. Procurement policies and procedures are being updated to comply with the new Act and contract management arrangements, naturally, follow on from the procurement phase of any project. City Fund does not have a standardised approach to contract management and there can be inconsistencies in approach dependent on individual departments or contract managers. There is an opportunity to make improvements in this respect to generate efficiencies.

City Fund is delivering economy, effectiveness and efficiency through its arrangements and we have only identified one improvement recommendation in relation to contract management, which demonstrates the overall strength of arrangements in this area.

# Executive summary



## Overall summary of our Value for Money assessment of City Fund's arrangements

Auditors are required to report their commentary on City Fund's arrangements under specified criteria and 2023-24 is the fourth year that these arrangements have been in place. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022-23 Auditor judgement on arrangements	2023-24 Risk assessment	2023-24 Auditor judgement on arrangements	Direction of travel
Financial sustainability	A No significant weaknesses in arrangements identified but improvement recommendations made.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified but improvement recommendations made.	↔
Governance	A No significant weaknesses in arrangements identified but improvement recommendations made.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified but improvement recommendations made.	↔
Improving economy, efficiency and effectiveness (3E's)	A No significant weaknesses in arrangements identified but improvement recommendations made.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified but improvement recommendations made.	↔

G	No significant weaknesses in arrangements identified or improvement recommendation made
A	No significant weaknesses in arrangements identified, but improvement recommendations made
R	Significant weaknesses in arrangements identified and key recommendations made

# Opinion on the financial statements and use of auditor's powers



# Opinion on the financial statements



## Audit opinion on the financial statements

We issued an unqualified opinion on City Fund's financial statements on 17 October 2024.

The full opinion is included in City Fund's Annual Report for 2023-24, which can be obtained from City Fund's website.

### Grant Thornton provides an independent opinion on whether City Fund's financial statements:

- give a true and fair view of the financial position of City Fund as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24;
- and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK);
- the Code of Audit Practice (2020) published by the National Audit Office;
- and
- applicable law.

We are independent of City Fund in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

City Fund provided draft accounts in line with the national deadline.

Draft financial statements were of a good standard and supported by detailed working papers.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. Our report was presented to City Fund's Audit & Risk Management Committee on 23 September 2024. Requests for this Audit Findings Report should be directed to City Fund.



# Opinion on the pension fund statements



## Audit opinion on the financial statements

We issued an unqualified opinion on the Pension Fund's financial statements on 17 October 2024 following the Audit and Risk Management Committee meeting on 23 September 2024

## Consistency report on the financial statements within the Pension Fund Annual Report

The Pension Fund is required to publish a separate Annual Report by 1 December 2024. We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent, in all material respects, with the audited financial statements with the administering authority's financial statements. We have received a draft of the Annual Report from the Pension Fund and are completing our work upon it. We anticipate being able to issue our 'consistency' opinion ahead of the 1 December Annual Report deadline.

We do note that whilst an opinion on the administering authority's financial statements can be issued by their auditor the formal certificate confirming completion of the audit of the administering authority cannot be given until their work on Whole of Government Accounts and our work on the Annual Report has been completed.

## Grant Thornton provides an independent opinion on whether the Pension Fund's financial statements:

- give a true and fair view of the financial position of the Pension Fund as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK);
- the Code of Audit Practice (2020) published by the National Audit Office; and
- applicable law.

We are independent of the Pension Fund in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Pension Fund provided draft accounts in line with the national deadline. The draft financial statements were of a good standard and supported by detailed working papers.

We identified no adjustments to the financial statements which would have resulted in adjustment to the key statements and the reported net assets for the year ending 31 March 2024 but we did identify nine disclosure adjustments in the course of our audit procedures that the pension fund has amended. We did not identify any unadjusted misstatements we were required to report and have raised three best practice recommendation for management.

# Opinion on the pension fund statements (continued)

## Events after the balance sheet date

As part of our closing procedures, and following the issue of our final Audit Findings Report (see below), we were informed that the City of London Corporation (as an employer) had become aware that some casual workers have not been made sufficiently aware of their pension rights in respect of auto enrolment into the Pension Scheme. The Corporation has informed the Pensions Regulator advising of the potential breach, together with the actions being taken and to propose a remedy and awaits the Regulator's response. This is disclosed within the City Fund's accounts within Events After The Reporting Period (Note 39).

We considered:

- a) whether this was a matter that would also require separate disclosure with the pension fund accounts and concluded that separate disclosure was not required. We also received a further bridging e-mail confirming that no matters other than this have happened. On this basis we are satisfied our audit opinion on the pension fund financial statements is unaffected, and
- b) whether there were potential VFM matters to report - the actions to date have been appropriate and the outcome from the regulator is awaited, as such no recommendations have been made.

## Audit Findings Report and Prior Year Accounts

We report the detailed findings from our pension fund audit in our Audit Findings Report. Our interim report was presented to City Fund's Audit & Risk Management Committee on 23 September 2024 and a final version issued on 7 October 2024 with only minor changes confirming completion of outstanding work. Requests for this Audit Findings Report should be directed to City Fund.

# Use of auditor's powers

We bring the following matters to your attention:

2023-24

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

# **Value for Money Commentary on arrangements**



# The current local government landscape

It is within this context that we set out our commentary on City Fund's value for money arrangements in 2023-24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



## National context

Local government in England remains a challenged sector. In recent years, generationally significant levels of inflation put pressure on councils' general fund revenue and capital expenditure. The associated cost of living crisis drove an increase in demand for council services such as social care and homelessness. At the same time, the crisis impacted adversely on key areas of council income that were needed to service the increase in demand, for example fees and charges and the collection rates for council tax, business rates and rents.

For Housing Revenue Accounts, inflation in recent years led to cost increases often outstripping rent rises. In the coming years, new legal duties on landlords are expected to increase costs further, without there necessarily being any additional funding to cover the new costs. At the same time, high construction prices are making it harder for councils to invest in the new accommodation which might have helped make savings in the revenue account, for example on temporary accommodation and homelessness. Housing Revenue Accounts are under further pressure due to regulatory challenges in housing quality in the light of national issues in respect of cladding and damp/mould issues.

In January 2024, the UK government announced an additional £600 million for local government, but the Spring Budget for 2024 brought little in the way of any further support. Rising costs of delivering services, coupled with workforce shortages in key areas, supply chain fragility, and rising interest rates for servicing debt, brought a level of crisis to the local government sector perhaps never experienced before. Current warning signs of difficulty include:

- Seven councils issuing eleven section 114 notices between 2019 and 2023, compared with two councils issuing notices between 2001 and 2018, with an increasing number of other councils publicly warning of section 114 risk;
- Twenty councils being with government approval for exceptional financial support during 2024-25, totalling approximately £1.5 billion. Only six of these councils had previously issued a section 114 notice.; and
- The Local Government Association warning that councils in England face a funding gap of £4 billion over 2023-24 and 2024-25.

Local government is coming under an increased spotlight in terms of how the sector responds to the financial challenge it faces. Since the start of 2024, the UK government has emphasised the need for increased productivity rather than increased funding. New plans were announced by the Chancellor in March 2024 for public sector productivity to deliver up to £1.8 billion worth of benefits by 2029. Councils were subsequently asked to submit productivity plans, showing how they will improve service performance and reduce wasteful spend.

The July 2024 general election led to a change in government, and changes to government policy and legislation relating to the sector are emerging at the time of producing this report.

# Financial sustainability

We considered how City Fund:	Commentary on arrangements	Assessment
<p>Ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>City Fund underspent by £46m against a revised budget of £172.5m for 2023-24. The underspend was almost entirely attributable to the Finance Department as a result of unused contingencies set aside within the budget, slippage in Supplementary Revenue Projects, additional income received on cash balances held and rental income from investment properties. City Fund was able to contribute £23.2m to reserves as planned, as well as carry forward £11.2m of unused contingencies into 2024-25 to fund known pressures and balance the budget. There are overspends within the position in relation to Community and Children’s Committee and Port Health and Environmental Services. The total overspend is comparatively small compared to actual net expenditure at 2.6%. The reasons for the overspend are fully understood and actions are being taken to respond.</p> <p>The 2024-25 budget and MTFP for City Fund was approved by Common Council on 7 March 2024. It assumes net expenditure of £196.5m and supports a further contribution to reserves of £21.7m to achieve a balanced budget. The reserves position at City Fund continues to support medium-term financial sustainability. The General Fund plus earmarked reserves for 2024-25 are £238.8m, therefore City Fund has more reserves than planned expenditure. The Medium-Term Financial Plan (MTFP) includes a deficit position in 2026-27 and 2027-28 totalling £48.4m. Current levels of reserves would be sufficient to support the deficits and still maintain a strong position. In addition to reserves, City Fund mitigates budgetary risks and pressures by setting aside contingencies within the budget each year for known and quantifiable pressures such as pay and price inflation.</p> <p>The medium-term position between 2024-25 and 2027-28 is a surplus position of £10.1m, despite gaps in the latter years of the Plan. Having reviewed key income and expenditure assumptions we have determined that these are reasonable estimates based on supporting evidence, the S151 Officer’s Statement on the robustness of estimates concurs. This is with the exception of estimates in relation to business rates in the medium-term, which may be over-prudent in their assumptions.</p> <p>City Fund’s significant Operational Property requires a large volume of repairs and maintenance which have built up because of funding constraints over several years. Included within the MTFP is a funding allocation totalling £145m for the next five years to address the accumulated backlog of maintenance, and prevent further dilapidation and degradation of property, and failure to meet statutory compliance requirements. This is set aside within a Cyclical Works Reserve. The Barbican Arts Centre is central to this programme. Although it has received dedicated funding to support the essential works it requires there is evidence that this not sufficient in the medium-term to support the full scale of the estimated works required and allow City Fund to explore income generation opportunities from the Centre. As such, the estimates within the programme should be reviewed to ensure they reflect the full scale of the works and ensure they can be appropriately financed.</p>	<p style="text-align: center;"><b>Amber</b></p> <p style="text-align: center;">No significant weaknesses in arrangements identified, but improvement recommendations made</p>

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# Financial sustainability

We considered  
how City  
Fund:

Commentary on arrangements

Assessment

(Continued)

City Fund is a provider of social housing and as such maintains a Housing Revenue Account (HRA), ringfenced by legislation to support expenditure on City Fund's housing stock. The budget is set annually and is separately identifiable from the City Fund budget. The outturn position achieved was a small £0.083m surplus, £0.195m lower than the final agreed budgeted £0.278m surplus, producing a year-end balance on HRA reserves of £0.309m. The HRA continued to experience significantly higher than budgeted repairs and maintenance, and supervision and management costs. This was partly offset by higher rent and service charge income than budgeted, and a lower transfer to the Major Repairs Reserve (MRR).

The HRA reserve position remains low, as highlighted in our prior year report, however it also remains stable, and this is expected to continue in 2024-25 and 2025-26 per the current 5-year HRA forecast. The forecast predicts an improvement in reserves between 2026-27 and 2028-29, increasing from £0.412m to £1.8m. Having reviewed the assumptions in developing this expectation we note the need for a review to ensure the medium-term outlook is realistic – the current focus is on cost-side factors with less consideration of demand-side pressures in growth assumptions.

The overriding cause of the low reserves position is unanticipated demand for Emergency Building Repairs in recent years. The escalating costs and escalation to the emergency category reflects the poor performance of the incumbent contractor. Other issues include the impact of the government-imposed rent cap on income, inflation in construction costs and delays in completing new build units. City Fund has responded by increasing oversight of the Repairs Management Team, undertaking staffing changes within the Housing Team to ensure appropriate capacity and experience, and undertaking several reviews of the service to provider recommendations to improve outcomes.

From a capital perspective, the HRA assumes that the Major Works Programme will be complete in 2026-27, however evidence suggests that works will likely span beyond that timeframe and so the forecasts may be optimistic in their assumptions and review of these should be prioritised.

Our work in this area, including a focussed review of HRA sustainability, resulted in identifying opportunities for improvement and we have raised three improvement recommendations to further enhance arrangements. Further details can be found on pages 20-21 of this report.

**Amber**

No significant weaknesses in arrangements identified, but improvement recommendations made





# Financial sustainability

## We considered how City Fund:

## Commentary on arrangements

## Assessment

### Plans to bridge its funding gaps and identifies achievable savings

City Fund's 2023-24 MTFP included £4.33m of unidentified savings, with £0.43m expected to be delivered in-year. However, a review found the remaining savings had to be re-profiled into later years of the MTFP as existing timescales were deemed unrealistic, with £0.28m written off as undeliverable. Surpluses in other areas offset this shortfall within the 2023-24 outturn, and so the financial position was not negatively impacted.

For 2023-24 and prior years, savings were identified and delivered via the Target Operating Model (TOM), Fundamental Review and 12% Reduction. These programmes have now exhausted new savings that can be identified and seek to deliver already identified savings in the medium-term. City Fund will not have a new savings program in 2024-25, to allow services space to rethink their delivery models. The Resources and Priorities Refresh Programme (RPR) is expected to replace prior year savings programmes and is currently in the design phase, and not yet a fully developed savings programme. Despite the lack of savings programme, the 2024-25 position within the MTFP is a forecast surplus. There are budget gaps in the latter years of the current MTFP, which will need to be addressed through the RPR, although overall the medium-term outlook is a cumulative surplus, and so provides time for City Fund to develop a robust response. There is evidence that Members have been well-engaged in the RPR development process to date, which has been supported by a 'deep dive' process at service level as part of the 2025-26 budget setting process.

City Fund is enhancing governance and project management processes alongside developing the RPR to maximise success. To date this has included the establishment of the Efficiency and Performance Working Group for increased scrutiny of savings and seeking to replace its existing Project Management System for more efficient end-to-end management of projects.

In 2023-24 and prior years, savings performance was monitored implicitly through the budget monitoring reporting. This focusses on outturn performance at City Fund and directorate level, with no information on the success of individual savings schemes. This process has continued for 2023-24 and 2024-25 to date. Going forwards quarterly budget monitoring reports are expected to provide more detailed monitoring and reporting.

Based upon the evidence we have reviewed, we have concluded that arrangements in relation to savings are in a transition period, therefore providing and opportunity to update arrangements during this development phase. We have therefore raised an improvement recommendation. Further details can be found on page 22 of this report.

### Amber

No significant weaknesses in arrangements identified, but improvement recommendations made



# Financial sustainability

We considered how City Fund:

Commentary on arrangements

Assessment

Plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Corporate Plan was updated and approved in 2023-24 and covers the period 2024-2029. We observed clear alignment between the Plan and the investment/growth within the MTFP and Capital Programme, demonstrating strategic resource use. The Housing Strategy was developed in-year and an early draft finalised in 2024-25. The Housing Strategy responds to our prior year recommendation to develop a forward-looking strategy in this area. A supporting Action Plan is now required to facilitate delivery of the objectives of the Strategy.

The 2023-24 outturn and 2024-25 budget and MTFP cites Adult Social Care and Children’s Social Care as cost pressures. These are common pressure in the sector. However, the budget and other reporting to Members lacks detailed analysis of the causal factors in relation to these cost pressures and could they can be improved. Temporary Accommodation is also an observed pressure. City Fund is taking steps to address Temporary Accommodation costs through a procurement exercise for a Placement Platform with more preferable rates. However, further research may identify other mechanisms to tackle the demand and supply side factors also contributing to the pressures in this area.

We have raised three improvement recommendations to further enhance these arrangements. Further details can be found on pages 22-23 of this report.

**Amber**  
No significant weaknesses in arrangements identified, but improvement recommendations made

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Ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system

The MTFP aims to achieve operational efficiencies through various key strategies, including the Resources and Priorities Refresh, Climate Action Strategy, People Strategy, Digital Services Strategy, Asset Management Strategy, and Local City Plan. In 2023-24 and early 2024-25 the focus has been on developing the Corporate Plan, Housing Strategy, People Strategy, and Local Plan, with the aim of embedding these strategies throughout 2024-25. However, there is a need to complete the People Strategy, develop a People Plan, and establish clear financial links to ensure effective implementation.

The Treasury Management Strategy and Annual Investment Strategy for 2023-24 has been successful in managing City Fund's financial position, with investment income achieved far ahead of budget which substantially contributed to the £46m surplus position at year-end, along with mitigated overspends in pressured services. This position was achieved via short-term investment instruments. The high prevailing interest rates which led to the advantageous financial position are not expected to recur and so City Fund may wish to evaluate the effectiveness of its investment approach in light of a forecast decrease in interest rates in the medium-term.

City Fund developed and approved its Capital Strategy 2023-24 to 2028-29. This was approved alongside the 2024-25 MTFP and Budget. This Capital Strategy sets out capital investment plans for the next five years, covering both expenditure and financing, and continues to avoid borrowing to protect revenue. It commits £1.4bn of investment in capital projects across the 6-year period (inclusive of 2023-24) to meet its objectives within the Corporate Plan.

**Amber**  
No significant weaknesses in arrangements identified, but improvement recommendations made

# Financial sustainability

We considered how City Fund:

Commentary on arrangements

Assessment

(Continued)

Capital expenditure in 2023-24 amounted to £180.8m for City Fund, which is £143.3m less than the £324.2m budget for the year. Monthly forecasting of the programme allowed City Fund to fully understand the causes of the slippage, predominantly the need for improved forecasting and project governance. This has led to a targeted response including a Project Governance Review and training for Project Managers.

The initial HRA Capital Programme budget was £72.7m, this was revised downwards in the year based on updated projections to £50.5m, and the outturn position was £32m expenditure – 55% slippage compared to the original budget. It is clear that Officers understand the underlying cause of slippage in specific projects, which highlights the need for improvements in due diligence in the early stages of projects. City Fund should conduct a ‘lessons learned’ appraisal on the specific projects causing the most significant slippage (New York Way and Sydenham Hill – HRA) to avoid similar issues in the future. Additionally, a review of the HRA Capital and Major Repairs Reserve assumptions is recommended to ensure affordability and sufficient reserves going forward.

We raised three improvement recommendations to further enhance these arrangements. Further details can be found on pages 23-24 of this report.

**Amber**

No significant weaknesses in arrangements identified, but improvement recommendations made

Page 710 identifies and manages risks to financial resilience, e.g. unplanned changes in demand including challenge of the assumptions underlying its plans

City Fund identifies financial risks in the budget documentation for review by decision makers. The majority of risks identified align with expectations from common issues in the sector and City Fund-specific operations. We note that pressures in relation to Temporary Accommodation and the associated costs are not acknowledged. There continues to be limited information on potential financial impact of internally controlled risks. City Fund does not plan for scenarios in the MTFP, although they have undertaken detailed stress testing for business rates income. Contingencies have been underspent in the last four years, suggesting a prudent approach, and the unallocated contingency for 2024-25 has already significantly reduced, indicating a more realistic amount.

No new recommendations have been raised in this area, although prior year recommendations remain partially unaddressed – see page 47 for more details.

**Amber**

No significant weaknesses in arrangements identified, but improvement recommendations made

# Financial sustainability

## Financial sustainability areas for improvement

### Business Rates assumptions

For 2024-25 City Fund set at a 0.4p increase in the Business Rates Premium from the prior year (when it was increased by 0.2p) This is expected to raise £8.1m per year additional income and is assumed to remain constant over the medium-term. This is evidence of maximising a key income stream. City Fund has recent history of rate increases, yet the rate remains static in the Medium-Term Financial Plan. As such, there is evidence of over-prudence in the MTFP assumption, presenting the opportunity to review the assumption in the next budget and as business rate reforms are announced. Any changes must be reviewed, accepted and approved by Members.

**Improvement recommendation 1:** City Fund should, in collaboration with Members, review business rate assumptions to ensure they are realistic in the medium-term.

### Barbican works assumptions

As part of the Cyclical Works Programme the Barbican Arts Centre received £25m approved by Court of Common Council in March 2023 to support critical health and safety needs, and conditioning surveys which will enable essential works to be undertaken over the next two years. No further provision has been made to support the full cost of essential works at the Barbican Centre, estimated to be £451m, unfunded at present. It is recognised that a further £30m is required to support the urgent health of the Centre annually, in addition to the £25m already committed. The business case is being developed with a view to address the capital expenditure required, identify funding opportunities, plus identifying opportunities through income generation which will seek to reduce the on-going annual £30m commitment over the longer-term. The expectation is to present the opportunities to Executive Leadership Board and Members in the autumn. Therefore, the MTFP and Capital Programme could be seen to be optimistic in its assumptions around the Barbican repair programme in its current form, as it is known that there are significant ongoing

pressures and a business case is in development, but no estimates are included in financial planning. In addition, we are aware that City Fund has aspirations of undertaking improvement works, as opposed to only essential works, to maximise income generating opportunities from using the Barbican as an events space.

Internal Audit issued a Limited Assurance opinion in relation to Barbican Estate – Charging for Repairs. Therefore, prior to commencing any works City Fund will need to ensure that recommendations are responded to in full to ensure that value for money is achieved in the works undertaken and estimated within financial planning.

**Improvement recommendation 2:** City Fund should review its assumptions in relation to the Barbican Capital and Cyclical Works Programme to ensure that it is affordable in the medium-term. Prior to embarking on any additional works included in the financial planning City Fund will need to address Internal Audit's concerns around controls in the repairs programme.

### HRA assumptions

The improvement in the HRA reserves position from £0.012m to £1.8m between 2026-27 and 2028-29 is expected to be achieved by increases in rental income, which increases until 2026-27 and 2027-28, then remains stable at 3% increase each year. At the same time there are far more modest increases in expenditure, with the outlook suggesting better control on costs associated with repairs and maintenance and employees. These are around 3% each year, in line with inflation per the Treasury information and deemed a reasonable assumption in the medium-term. However, the 2023-24 and prior years' outturns have also noted demand, as well as cost pressures, being responsible for overspends on repairs and maintenance due to demand for breakdown and emergency repairs, including significant fire safety work. The outlook suggests that increases on expenditure are inflation-related only and limited assumptions made for demand-side factors. Having reviewed other sources of information,

# Financial sustainability

such as the Housing Complaints Reporting, the information suggests that ongoing demand for repairs and maintenance should be expected. In 2023-24 there was an 84% increase in repairs complaints based on the previous year. The increase for housing management complaints was 55% for the same period. Should the expenditure estimates turn out to be inaccurate, or with key demand-side factors omitted, the forecast may not be reliable. With such low reserves figures this is suggestive that the HRA may not be sustainable, and immediate action is required to ensure that detailed analysis of future unit costs, total costs and demand is undertaken, and forecasts updated to reflect these.

City Fund has a new HRA Associate Director who is undertaking an internally- led Housing Review. The review follows on from external review recommendations from Pavills on the Blueprint for successful regeneration, Pennington's work on Customer Service, and an Independent Person who provided a review of how the HRA is managed. As such, City Fund is gathering significant amounts of data and opinion in this area. These pieces of work have focussed on identifying efficiencies, identifying projects not in the pipeline that are urgent, and reprioritising current plans. Action plans need to be developed to take forward the recommendations from these reviews. We confirmed that this is planned for September 2024, and so not yet mobilised at the time of writing this report. City Fund is aware of the need to review the HRA to ensure assumptions are appropriate and is working on a revised 5-year Plan to be taken to September 2024 Member Meeting.

Once this analysis is undertaken City Fund may seek to limit the impact of the demand- and unit cost- side pressures by liaising with other bodies to identify good practice and apply relevant transformational approaches to their HRA repairs programme. Leeds City Council Innovation and Repairs Transformation and the Digital Landlord approach at Glasgow have been identified as potential research opportunities. The councils' forward-looking actions have been observed to align with some of the challenges the programme seeks to resolve.

From a capital perspective no provision has been made in the Major Works Programme for future additional projects that have been identified in the latest full or any new stock condition survey and therefore capital works are expected to complete by the end of 2026-27. City Fund is committed to investing around £110m on a Major Works Programme, which was originally intended to be a 5-year programme

however, the size and complexity of some of the projects included, along with initial staff resourcing issues, has meant that it is more likely to take 7 or 8 years to complete. There is evidence of a future repairs programme and likelihood of works identified from stock condition surveys that are not accounted for beyond 2026-27 and so as part of the review of the HRA, assumptions in relation to the repairs programme are required.

In 2023-24 City Fund focussed on developing robust underlying governance arrangements in housing by updating its Strategy and making staffing changes within the Housing Team. Now these are in place there is an opportunity to review detailed forward-looking plans.

**Improvement recommendation 3:** City Fund should review its HRA assumptions to ensure the medium-term outlook is realistic and sustainable. Detailed analysis of demand, total cost and unit cost factors would be useful in supporting this review. The review should specifically consider estimates around capital, repairs and income. In reviewing the repairs element of the HRA City Fund has the opportunity to identify successful examples elsewhere in the sector and apply to their own challenges. Following internal and external Housing Service and HRA reviews City Fund should develop detailed action plans to progress recommendations and monitor these effectively to completion.

## Savings planning

Although the Resources and Priorities Refresh Programme (RPR) is expected to consist of multiple workstreams, City Fund is currently prioritising those in relation to Asset Management and specific areas of Income Generation. There are budget gaps in the latter years of the current MTFP, although a surplus overall, and so it is imperative that City Fund fully develops the workstreams currently in train to ensure it can close the gaps and maintain financial control. As the RPR develops, transparency could be improved by providing Members with a clear analysis demonstrating whether the RPR is sufficient to achieve aims, allowing for further preventative actions to be taken as required.

# Financial sustainability

In 2023-24 and prior years, savings performance was monitored implicitly through the budget monitoring reporting, at outturn level. Through the 2025-26 budget 'deep dive' process data is gathered at individual saving scheme level, and so the change in process and development of the RPR presents the opportunity to track savings in more detail. This is yet to be observed and would increase Member awareness of performance in this area. It is expected to form part of the 2025-26 budget setting process.

Procuring a new Project Management System is expected to significantly enhance City Fund's project and programme management processes. The anticipated cost of the new system over a 5-year period is likely to be in the region of £1.4m, a procurement exercise has not yet been run as the business case undergoes required internal review and approval processes. City Fund would benefit from undertaking more detailed analysis linking the cost of the system to the expected savings from the RPR, and existing savings programmes in place. This will aid in the procurement process as well as financial planning.

**Improvement recommendation 4:** As City Fund continues to develop savings via the RPR process and Project Management System procurement it should seek to improve arrangements by:

- Analysing the ability of the RPR to fully mitigate gaps in the MTFP and present this to Members.
- Develop a savings monitoring framework to effectively track savings delivery via the RPR and present this to Members alongside budget monitoring.
- Producing a cost-benefit analysis of the proposed Project Management System, considering savings it could feasibly deliver in the RPR and MTFP.

## Housing Action Plan

We acknowledge that work has commenced on developing a forward-looking Housing Strategy, as recommended in our 2022-23 Auditor's Annual Report. The current draft of the Strategy includes 5 key aims and a series of high-level actions that should be taken to meet these aims. The Strategy clearly seeks to respond to the challenges observed within the HRA on repairs and maintenance overspends and capital programme underspends. City Fund is in the process of developing and

updating various strategies that underpin the Corporate Plan, some are more progressed than others, notably the People Strategy and the Climate Change Strategy. These strategies are supported by an Action Plan that translates strategic aims into operational tasks. City Fund would benefit from developing a corresponding Plan for the Housing Strategy which includes clear actions, responsible individuals, to metrics to measure success of outcomes and a framework for monitoring performance.

**Improvement recommendation 5:** City Fund should develop a Delivery Framework to support the Housing Strategy to ensure its aims can be successfully delivered, operationally. The Framework should include clear actions, responsible individuals, to metrics to measure success of outcomes and a framework for monitoring performance.

## Additional social care analysis

The 2024-25 budget includes additional funding of £0.470m for Adult Social Care and Children's Services. This is small in the context of the net budget requirement and has been fully met by increases in council tax of 2.99% and 2% for the social care precept element. These are common pressures across the sector and although City Fund made an in-year surplus for 2023-24, underlying deficits in social care occurred which may pose financial challenges in future years if unaddressed. We acknowledge that City Fund has a relatively small population requiring access to these services when compared to other London councils, however control of overspends may realise medium-term financial benefits, particularly in later years of the MTFP. Members are provided with limited analysis of unit costs, demand, total costs, trends or benchmarking of these services. Providing additional information would increase awareness of the specific causal factors of the pressure.

**Improvement recommendation 6:** City Fund should undertake detailed analysis of the causal demand, unit cost, total cost and supply side factors impacting social care and present these to Members to inform the response to mitigating the pressures being observed.

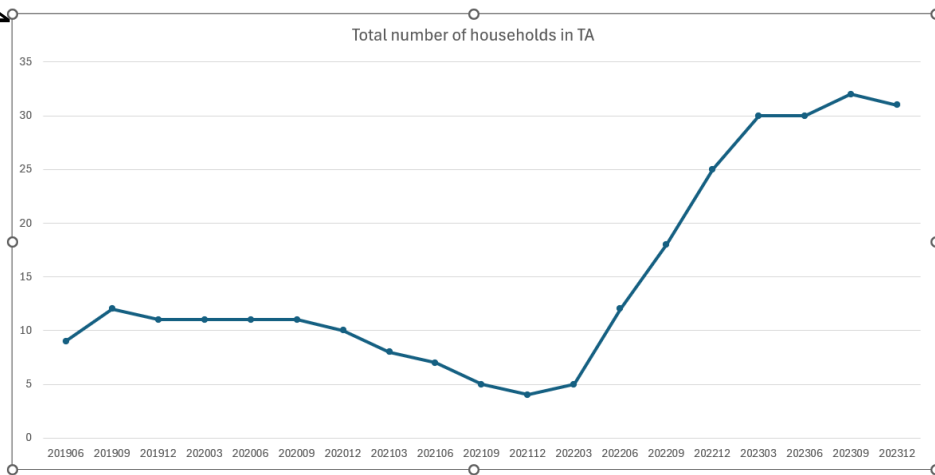


# Financial sustainability

## Temporary accommodation pressures response

Data shows a sharp increase in households in Temporary Accommodation between March 2022 and December 2023. This concurs with the trends identified in City Fund’s own analysis. City Fund has a low residential population, compared to other councils, however rising costs have been identified as a pressure in the medium-term. City Fund makes placements via online platforms which it must pay to access but has identified an opportunity to reduce costs by accessing a specific Housing Placement platform with preferable rates (20-35% cheaper) and is currently progressing the procurement process. City Fund clearly understands its cost, demand and supply pressures in temporary accommodation and has begun to take action in relation to cost factors. The opportunity exists to explore the market and sector for further opportunities to respond from the supply and demand factors

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Examples observed elsewhere include the use of 'stackable pods' at Ashford Council, which are deemed to be more cost effective and quicker to erect than standard housing solutions and the use of long-term empty property at Thanet District Council being converted into a source of temporary accommodation. Other examples may exist that may be more suitable for City Fund.

**Improvement recommendation 7:** City Fund should undertake targeted research into appropriate temporary accommodation solutions which respond to demand, supply and cost factors causing pressures in this service.

## People Strategy update

We acknowledge the positive progress that has been made in developing a People Strategy which is clear in its aims, how they will be achieved and associated metrics for measuring success. There is inconsistency within the Strategy in the setting of a clear target and a baseline for each metric, which appears to still be a work in progress, nor does there appear to be detailed consideration of financial impact. To ensure effectiveness of the Strategy in delivering its aims, priority should now move to completing it in full and developing a supporting People Plan which translates the overarching strategic objectives into an operational plan. The Plan should consider how the establishment will be impacted within each department, the associated financial impact and link to the MTFP. As the Strategy is newly developed, yet to embed and metrics incomplete, we have not identified any monitoring of the performance of the Strategy.

**Improvement recommendation 8:** City Fund should ensure the People Strategy is completed in full so it can begin to embed. It is important a People Plan is developed to translate the strategic objectives into tangible actions to achieve them. A framework will be required to ensure progress of the actions within the Plan are effectively monitored.

# Financial sustainability

## Treasury Management approach

City Fund's Treasury Advisors expect interest rates to fall (2023-24 5.25%, 2024-25 3.75% and 2025-26 3.00%). City Fund's Treasury Management Strategy focusses on liquidity which has led to an investment approach focussed on short term instruments. This is in line with CIPFA standards. However, with interest rates expected to fall and short-term instruments tending to carry lower rates of return than long-term instruments City Fund could benefit from revising its approach to long-term investments. The Strategy does include provisions and limits which allow for such investments, with the approach approved by Members.

In 2023-24 City Fund made an average return on investments of 5.97%, relying on short-term liquid investments. Comparison with a large London borough council shows similar returns with a diversified portfolio. Therefore, the strategy for 2023-24 can be deemed appropriate, but in light of forward interest rate insights City Fund may consider revising its approach for 2024-25 and beyond. City Fund has a strong balance sheet with a current asset to current liability ratio of 2.8 times more assets than liabilities. This provides an opportunity to benefit from higher interest rates on longer-term products, whilst still maintaining liquidity. There is greater diversification observed within City Estates (not covered by our VFM work), when considering City Fund as a whole, and therefore there is scope to consider this approach to City Fund.

**Improvement recommendation 9:** City Fund consider reviewing its investment portfolio across long- and short-term instruments to balance liquidity with securing higher returns to protect the medium-term financial position.

## HRA capital, repairs and maintenance improvements

The current Major Repairs Reserve (MRR) to the HRA assumes that there will be no capital works or financing required in 2027-28 or 2028-29, the latter two years of a 5-year forecast. City Fund has experienced overspends, delays and regularly undertakes stock condition surveys, all of which could feasibly render this outlook unrealistic. The MRR balance in all years of the 5-year forecast is low in comparison to the level of capital expenditure expected (between £0.227m and £0.545m, which is around 0.7-0.8% of the overall capital programme in the relevant years). As such, a review of the HRA assumptions around repairs and capital is required to determine if works are affordable over the medium-term. It is our understanding this review is intended for September 2024.

The key projects causing slippage in the HRA capital programme are New York Way Estate Provision of Social Housing which is £13.4m underspent and Sydenham Hill – Provision of Social Housing which is £11.4m underspent. These two projects account for half of the slippage. Discussions with officers confirm that reasons for slippage are fully understood and are due to two Judicial Reviews, the need to comply with new building regulations, asbestos discovery for Sydenham Hill, and 11 formal delay notices from the contractor for emerging issues such as asbestos and structural survey findings for New York Way. This suggests improvements may be needed for due diligence/surveying in the early stages of costing projects to ensure issues are identified and costed at the business case stage. City Fund has confirmed its intention to undertake a 'lessons learned' appraisal on both projects.

**Improvement recommendation 10:** City Fund should seek to improve arrangements in relation to HRA capital and repairs by undertaking a 'lessons learned, exercise on slippage on Sydenham Hill and New York Way projects. In addition, it should review current capital and repairs reserve forecasts for optimism bias and affordability.



# Governance

We considered  
how City  
Fund:

Commentary on arrangements

Assessment

Monitors and  
assesses risk  
and gains  
assurance over  
the effective  
operation of  
internal  
controls,  
including  
arrangements  
to prevent and  
detect fraud

The Audit & Risk Management Committee (A&RMC) continues to be responsible for oversight of the Risk Management Strategy, ensuring key risks were reviewed through regular risk updates and deep dives of corporate risks on a rolling basis. Those Charged with Governance were supported by the Chief Officer Risk Management Group (CORMG), who met regularly, issued risk reports to the Executive Leadership Board, and established cross-cutting portals in the electronic risk register to identify emerging risks.

City Fund continues to use a well-established and understood Risk Management Framework, set out in their existing Risk Management Strategy. Risks are effectively reviewed throughout the year by the Committee as we have observed changes in scores, number of risks and RAG ratings. The number and type of risks are reflective the environment in which City Fund operates, with no notable omissions. An updated Risk Management Strategy has been agreed and is expected to be implemented in 2024-25. The Risk Management Policy, which translates this strategy into tangible actions, is being updated simultaneously, demonstrating a proactive approach of continuous improvement to risk management within the organisation.

Further evidence of City Fund's ongoing improvement journey is demonstrated by use of external consultants, Zurich Resilience Solutions, to review and raise recommendation specifically on risk culture and appetite. Work to implement the recommendations is ongoing. Internal Audit has not explicitly conducted a review of risk management arrangements, except for completion of reviews of deep dive risks selected by the A&RMC. This would be of benefit to ensure that changes being made to the process embed effectively and have the expected outcomes.

City Fund continues to be well-supported by its internal Counter Fraud Service. Their work is underpinned by City Fund's Anti-Fraud and Corruption Strategy which establishes the underlying governance framework for preventing and detecting fraud. The latest strategy is dated 2019 and requires updating to remain relevant and fit for purpose. We expect key policies such as this to be reviewed every 3-5 years. Internal Audit is responsible for maintaining a confidential and secure register of all concerns raised through the Whistleblowing Policy. The Policy itself is dated 2021 and was expected to be reviewed in 2023-24 – this is ongoing, and finalising the Policy is a priority for 2024-25.

Internal Audit's annual report provided positive assurances on City Fund's system of internal control. However, it noted that capacity issues in the function meant a smaller than anticipated programme of work was undertaken to deliver the opinion. The Head of Internal Audit made clear that this approach was not sustainable, and if it continued would impact the ability of the service to provide an opinion in future years. We reviewed Internal Audit arrangements in detail and observed a weakness in arrangements in relation to Internal Audit capacity, however we do not deem this to be a significant weakness and propose to raise an improvement recommendation.

Our work in this area, including a focussed review of Internal Audit arrangements, resulted in identifying opportunities for improvement and we have raised four improvement recommendations to further enhance arrangements. Further details can be found on pages 30-31 of this report.

**Amber**

No significant weaknesses in arrangements identified, but improvement recommendations made





# Governance

We considered how City Fund:

Commentary on arrangements

Assessment

Approaches and carries out its annual budget setting process

The budget setting process for 2024-25 remained consistent with the prior year (it was being undertaken at the time of our 2022-23 VFM work, providing limited opportunity for recommendations to be addressed). The process was deemed to be robust and recommendations minimal. The 2024-25 process has continued to demonstrate effective stakeholder engagement through the Star Chambers process and incorporates sufficient time and resource of for challenge and scrutiny of the budget through its existing arrangements. The 2025-26 budget setting process is currently underway, with a strong emphasis on addressing prior year recommendations and enhancing the effectiveness of the budget.

Noteworthy improvements being implemented as part of the 2025-26 budget setting process include deep dive sessions led by Finance with Chief Officers and their teams. These sessions aim to understand expected pressures and planned mitigations over a 5-year period, with a focus on determining the affordability of such mitigations. Key areas of budget growth in the Medium-Term Financial Plan (MTFP) were identified, and departments are currently developing internal savings and efficiencies to meet their investment requests.

Three workshops with the Executive Leadership Board (ELB) were conducted as part of the budget setting process to identify potential savings. The ELB discussions focused on determining what services or activities could be ceased, exploring income generation opportunities, reviewing charity engagements, assessing potential in vacant properties, examining the Investment Strategy, and addressing areas of duplication. The ELB has actively participated in the process, demonstrating collaborative engagement.

For the 2025-26 budget setting process, the newly re-instated Efficiency and Performance Working Party is presented with results from deep dives to enhance tracking and reporting on savings throughout the year. Key risks to City Fund are identified and reported to the Finance Committee.

The ongoing Resources and Priorities Refresh Programme aims to review the operational property portfolio to identify assets with high operating costs or inefficient layouts, with the goal of optimising building occupation. An operational property review has been launched to comprehensively assess underutilised assets and explore opportunities for efficiencies.

There is wide internal stakeholder engagement across Officers, Members, Committees, and the Court of Common Council which indicates a comprehensive and inclusive approach to the process.

No recommendations have been raised and arrangements in this area are deemed to be effective.

**Green**  
No significant weaknesses in arrangements identified or improvement recommendation made



# Governance

## We considered how City Fund:

## Commentary on arrangements

## Assessment

Ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and corrective action is taken where needed, including in relation to significant partnerships

Financial Performance continues to be monitored sufficiently regularly (at least quarterly) through a variety of channels Chief Officer monthly meetings, departmental and service committees, the Resources Allocation Sub-Committee and Finance Committee. The information is presented in sufficient detail for Members and Officers to understand key pressures, causes and subsequent actions to respond. As such, the information allows Members to effectively hold individual departments to account as required. A protocol is in place to ensure that any year-end overspends by department are met within following year budgets, unless an exception is approved by the Chairs of the Policy and Resources and Finance Committees. A similar protocol applies to carrying forward year-end underspends.

No recommendations have been raised and arrangements in this area are deemed to be effective.

**Green**

No significant weaknesses in arrangements identified or improvement recommendation made

Ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

Evidence demonstrates that City Fund's Governance Framework is well-embedded and effectively followed. It ensures effective leadership, scrutiny, and decision-making, promoting transparency and strategic alignment. The review of committee papers and minutes for the 2023-24 period across various committees indicates active engagement, debate, and thoughtful consideration of strategic matters during meetings. The A&RMC continued to play a crucial role in risk management and scrutiny. Members of the Committee met sufficiently regularly, discussed a full range of relevant topics, and demonstrated effective engagement and challenge. Members are diligent, appropriately experienced and take their role seriously. They have a high level of attendance and arrangements are strengthened by the inclusion of independent members.

The Committee produces an annual report which provides Members and Officers with details of in-year Committee activities. This was produced in June 2023 for the prior year, and we have not yet seen evidence of this being produced for the 2023/24 year and no clarity on a timeline has been provided. However, the Nominations and Effectiveness Sub-Committee of the A&RMC approved a decision to evaluate the Committee's effectiveness, balance of skills and expertise and assessment of good practice following its last review in 2018. This provides alternative assurances in place of the annual report for 2023-24. The review demonstrated that the Committee is perceived to be performing effectively with some areas of improvement in regular training for the Committee, Treasury Management knowledge and experience, benchmarking external audit performance and the speed of governance processes.

The actions of the Sub-Committee in reviewing and assessing the Committee's performance reflects a commitment to upholding high standards of governance and risk management. However, we note that Member engagement in the process could have been improved with only 8 of the 15 Members submitting responses. This is noted, rather than a recommendation raised, as this process is not expected to be repeated in 2024-25 as it is not an annual exercise. Instead, City Fund should consider how Committee Member engagement could be improved as and when future similar exercises arise.

No recommendations have been raised and arrangements in this area are deemed to be effective

**Green**

No significant weaknesses in arrangements identified or improvement recommendation made



# Governance

## We considered how City Fund:

## Commentary on arrangements

## Assessment

Monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commission services

City Fund is effectively supported in upholding high standards of conduct by the Panel of Independent Persons and the Member Development and Standards Sub-Committee of the Policy and Resource Committee. The former receives allegations of misconduct under the Members' Code of Conduct, facilitates informal resolution where appropriate, determines whether to investigate allegations, considers the outcome of investigations and if necessary, holds a hearing and any appeal and present recommendations to the Court regarding breaches of the Code and any sanctions. The latter is responsible for monitoring, upholding and reviewing City Fund's Standard's regime and for keeping under review, monitoring and revising as appropriate Guidance to Members on the Code of Conduct. The roles and responsibilities of each group are well understood and their processes well-embedded and followed.

City Fund has formal, documented complaints procedures in place for corporate complaints, Members, Schools, Adult Social Care and Family Young People' Services and as such arrangements are extensive. Governance and Member Services is responsible for monitoring corporate complaints but experienced resource limitations in the year, as such we have identified an opportunity to make improvements in arrangements.

City Fund continues to follow its Procurement Strategy 2020-2024, which remains relevant to the 2023-24 year. It is supported by a Procurement Code which was developed in accordance with the UK Public Contracts Regulations 2015. The Code serves as the framework of overarching rules to be adhered to by any officer when procuring goods, services, or works as well as serving as a guidance document, offering context, processes, and additional information related to compliance. The Code was last reviewed in July 2023 and remains up to date. City Fund engaged external consultants to undertake a strategic procurement review which is currently underway. This review, and the fact that the new Procurement Act regulations will come into effect on 28 February 2025, prompts City Fund to review and update the Strategy and Code in 2024-25 to align with new regulations and the findings of the consultancy work. Officers and Members will need to be trained in using the new procedures to ensure new regulations can be applied effectively.

There have been 8 instances of non-compliant tender waivers in-year and, although non-compliance is not encouraged, where it does occur there is a reporting mechanism in place for transparency and accountability. However, we have noted inconsistencies in the application of this reporting mechanism and have made an improvement recommendation accordingly.

Our work in this area has identified opportunities for improvement and we have raised three improvement recommendations to further enhance arrangements. Further details can be found on pages 31-32 of this report.

### Amber

No significant weaknesses in arrangements identified, but improvement recommendations made



# Governance

## Governance areas for improvement

### Updating key anti-fraud policies

The Anti-Fraud and Corruption Strategy and Whistleblowing Policy were due for review in 2023-24, however review and update of these policies is delayed to 2024-25. We expect key policies, such as these, to be updated every 3-5 years to ensure they remain relevant and fit for purpose to City Fund's operations. The Whistleblowing Policy is dated 2021 and so is still considered to be relevant based on this timeframe. However, the Anti-Fraud and Corruption Policy is dated 2019 and considered outdated by these standards.

The delay in updating the Anti-Fraud and Corruption Strategy is due to capacity challenges within the Counter Fraud Team. City Fund's Counter Fraud Manager has provided assurances that the current Strategy continues to serve its purpose, with no significant changes expected once renewed. However, continued delays to updating the Policy could lead to potential gaps in the governance framework for preventing and detecting fraud. It may be important for City Fund to address these delays and prioritise the update of the strategy to ensure that the arrangements remain effective and aligned with current fraud risks and best practices.

**Improvement recommendation 11:** City Fund should prioritise the renewal of the Anti-Fraud and Corruption Strategy in 2024-25.

### Internal Audit review of risk management arrangements

No Internal Audit review of risk management arrangements was undertaken in 2022-23 or 2023-24. Although we would not expect assurances to be provided annually, as this is a key area of control, provision of assurances on a cyclical basis (for example every 3 years) would be beneficial. We have observed amendments being made to risk management practices as part of the refresh of the Risk Management Strategy, supporting Risk Management Policy and as a result of recommendations from Zurich Resilience Solutions (external consultants). Therefore, it would be useful for City Fund to gain assurances of the effectiveness of the changes via an Internal

Audit review or deep dive, and take actions accordingly.

Internal Audit has not formalised their full year plan for 2024-25. The Plan is developed on a 6-monthly basis, which provides the opportunity for risk management to be included in the second half of 2024-25 should A&RMC Members deem it appropriate for inclusion. Alternatively, a review in 2025-26 could take place, allowing changes to be implemented in full and beginning to embed.

**Improvement recommendation 12:** City Fund should engage Internal Audit to undertake a comprehensive review of risk management arrangements following changes made in 2023-24 and 2024-25. This proactive step will ensure that risk management processes are robust and effective across City Fund, aligning with best practices and promoting a culture of strong risk governance.

### Monitoring of external consultants' recommendations on risk management

City Fund engaged Zurich Resilience Solutions' Risk and Resilience Team to review its risk culture and appetite, with the findings highlighting both positive practices and areas for improvement. City Fund is actively implementing recommendations and plans to develop a new risk appetite statement alongside the update of the 2024-2029 Risk Management Strategy. This provides further evidence of City Fund's commitment to enhancing risk management practices. Updates on progress against recommendations are expected to be provided annually to the A&RMC in future Risk Management update reports. More frequent reporting may be beneficial to increase oversight and accountability until completion of the recommendations, due to take place within 2024-25. An annual update does not allow for any required actions to be taken in-year



# Governance

**Improvement recommendation 13:** City Fund should undertake more frequent monitoring of the progress of recommendations from the Zurich review of risk management arrangements at the Audit & Risk Management Committee until they are fully completed.

## Internal Audit capacity

The Head of Internal Audit was able to provide a positive year-end assurance opinion on the arrangements at City Fund, however the opinion cited an unsustainably small programme of work undertaken in reaching that opinion. The underlying causes of the size of Internal Audit programme for 2023-24 are due to a lack of capacity in the Internal Audit function, driven by a loss of experience under prior year organisational restructuring, a reduction in budget, and long-term sickness within the team. As such, at no point in 2023-24 was the Internal Audit function fully staffed.

The Internal Audit function transparently reported its capacity issues to Members via its Internal Audit Dashboard reporting in 2024-25 and the 2023-24 Year-End Audit Report and opens itself up to the required accountability and scrutiny.

The Internal Audit service sets a minimum target in respect of the number of audit days it feels is required to be able to fulfil its duties and effectively provide assurances across its three key aspects of City Fund - Internal Control Environment, Risk Management and Governance arrangements. The target set is 600 days. In 2023-24 the service was able to deliver 425 days against this target. This resulted in a reduction, since 2022-23, in the number of reviews that could be undertaken and the number of follow-ups it completed to determine the effectiveness of City Fund's response to Internal Audit recommendations. 30% fewer days of Internal Audit were provided, a 10% reduction in the number of reviews and a 36% reduction in the number of follow-up reviews when comparing 2023-24 to 2022-23. The impact of the lack of capacity in the function is evident, although the reduced number of audit days is not dissimilar from what we see at other similar sized authorities.

The key systems that Internal Audit expects to cover to provide appropriate assurances are payroll/employees, accounts payable, and income and expenditure more generally (both income and expenditure include financial management). These were covered in 2023-24 by a combination of departmental reviews (delivered on a rolling basis) and corporate-wide reviews applying a narrower focus depending on risk assessment/consideration. This is with the exception of payroll where we were not able to evidence a specific review but is planned to be covered in 2024-25.

Internal Audit's remit is wider than simply undertaking reviews of internal controls in specific areas and the lack of capacity has had a negative impact on the service being able to fulfil other aspects of its role. These impacts have included:

- An increase in the level of non-compliance with Financial Regulations and other standard operating procedures has been observed over recent years and this is, in part, considered to be attributable to a reduced Internal Audit presence across the organisation.
- Inability to maintain regular liaison with all Chief Officers and their Senior Leadership teams.
- Inability to undertake longer term Internal Audit planning due to the need for the Head of Internal Audit to undertake individual reviews as opposed to the wider requirements of the role.
- Prevention of follow-up reviews from taking place promptly after the agreed implementation dates, with City Fund carrying a higher number of open/overdue high priority recommendations than in 2022-23

The Internal Audit service has taken actions to respond to the challenges. This includes recruitment and obtaining additional funding to support future work and reduce the risk of not being able to provide appropriate assurances in future years. Specifically, this has included the recruitment of three trainee auditors (expected to complete their training in 2024-25 and provide more productive time to audit reviews), obtaining £0.165m investment for a Deputy Head of Internal Audit, and to provide temporary resource to support the function whilst current trainee auditors complete their training, and recruitment of two new senior auditors. At September 2024 the service is considered fully staffed and is developing a pipeline of future





# Governance

senior auditors through its trainee programme. We acknowledge that City Fund has taken positive actions in 2023-24 and 2024-25 which are expected to have positive impact and improve current outcomes. Current monitoring suggests that 610 audit days will be deliverable in 2024-25 which is above the minimum standard set internally, and the service looks to grow this to 1,000 audit days in the medium-term. Therefore, on a cyclical basis the function will provide an appropriate number of audit days in line with its minimum target.

Although actions taken have responded to the immediate capacity risk, by ensuring the service is fully staffed, the Internal Audit function needs to focus on building further resilience into its capacity to respond to future risks. The current improved structure does not include headroom to respond to changes such as changes to current staff numbers, expansion of the scope of Internal Audit's work, or increased risks that may be identified at City Fund. Now that team capacity has been strengthened the service should prioritise ensuring that it can fulfil all aspects of its role.

**Improvement recommendation 14:** To ensure that decision makers are provided with appropriate assurances from Internal Audit the below is required:

- continued close monitoring of resourcing via the Internal Audit Dashboard and liaison with officers and Members should further challenges emerge.
- additional investment to continue to build resilience into the team and ensure delivery is maintained in the short-term, and aspirations of growth deliverable in the medium-term.
- development of formalised 3-year Strategic Audit Plan, which will be aided by continued training and recruitment at Senior Auditor level.

## Complaints monitoring

Due to limited resources, the Governance and Member Services department has been unable to monitor complaints performance at all stages in 2023-24. Consequently, Stage 1 and Stage 2 complaints are handled locally by respective departments. There is a risk of inconsistency in the approach to complaints handling to data availability with which to determine complaints handling performance. Some departments, such as Housing, have more robust data collection processes in place and can provide the detail more easily. Stage 3 complaints are within the remit of the Governance and Member Services department but again, due to capacity, data is limited. Unfortunately, formal logging systems for response rates are not in place.

Additionally, City Fund receives annual information from the Local Government Ombudsman about escalated complaints, but this only covers a proportion of all complaints.

**Improvement recommendation 15:** City Fund should improve capacity, processes and systems within the Governance and Member Services department to ensure consistency and availability of complaints handling performance data.

# Governance

## Procurement procedure training

City Fund is updating its Procurement Strategy and Procurement Code in 2024-25. This is to reflect any findings and recommendations from the current strategic procurement review and requirements of new regulations. The Procurement Act regulations were due to come into effect in October 2024, this is deferred until 28 February 2025. As such, the update of procedures is timely. Currently no formalised learning or training has been planned for those involved in procurement on the Act or Code and Strategy updates. Having scheduled formalised training would increase the likelihood compliance with new regulations.

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**Improvement recommendation 16:** City Fund should maximise the possibility of compliance with the new Procurement Act 2023 and updated internal procurements policies, by developing targeted formalised training in respect of these documents.

## Waiver process and reporting

Although non-compliance with the Procurement Code is not encouraged, where it does occur there is a reporting mechanism in place for transparency and accountability. This is achieved via a waiver report, which was presented to the Category Board during 2023-24 and revealed 8 instances of non-compliant waivers. According to Rule 25.4 of the Procurement Code, these waivers should be reported quarterly to the Finance Committee and annually to the relevant spend committees. The latter is complied with via the Category Board reporting, but we were unable to evidence reporting to the Finance Committee.

Officers have noted lack of clarity in City Fund's waiver process, often leading to waiver requests being sought as extensions of contracts due to the absence of a documented process. In addition, there is limited guidance to follow where a contract waiver is required after actions to procure the contract have taken place, although this is not encouraged guidance is required should instances occur, however rarely.

For transparency, waivers requested over £100,000 are logged on a spreadsheet to aid reporting, but commercial teams are not routinely informed of the outcomes of approved waivers, and there is no documented process outlining how they should be notified. As such, there is limited opportunity for lessons to be learned which could improve accuracy of waiver reporting.

As part of the Procurement Strategy and Code refresh, there is an intention to align all elements of the Code, incorporating the requirements of the waiver process. Human Engine (consultants) are currently undertaking a Strategic Procurement Review, we would encourage that the scope of this work includes waiver processes.

**Improvement recommendation 17:** City Fund should establish clear and well-defined processes for staff to follow when procuring or commissioning services, in particular when dealing with waivers. This should include the documentation of standardised procurement processes, incorporating clear guidelines for waivers.



# Improving economy, efficiency and effectiveness

We considered how City Fund:	Commentary on arrangements	Assessment
<p>Uses financial and performance information to assess performance to identify areas for improvement</p>	<p>In 2022-23 we identified improvement opportunities for the Performance Management Framework. Given the timing of the recommendations made, we acknowledge there has been limited opportunity to respond in full within 2023-24 year. However, we do note further progress made in 2024-25 to work towards improved City Fund-wide performance management. City Fund developed and approved a new Corporate Plan for 2024-2029, accompanied by the creation of a suite performance metrics to monitor progress against corporate objectives. City Fund has committed to publishing an annual progress report on the new Corporate Plan and intends to benchmark metrics when possible. Due to the infancy of the metrics, data collection processes are relatively immature, these techniques and the metrics themselves are expected to evolve over time as better information is identified and processes improve. As data capture and availability improves additional management information will be made available for Executive Leadership. As such, there is evidence that City Fund is on an upward improvement journey in this area following a proactive response to our 2022-23 recommendations, and once the planned reporting and data collection is evidenced at the end of 2024-25 we expect the recommendation to be responded to in full.</p> <p>In addition to the developing City Fund-wide approach, individual committees continue to set targets and review performance trend data in relation to their own specific services. An example of this is the Chamberlain’s KPI reporting on business rates, council tax and rental income collection rates, and Community and Children’s Services Committee reports in relation to safety performance. These are not consistent across all committees, however as there is now a City Fund-wide approach these arrangements are complementary to the organisational-level framework.</p> <p>Another supporting mechanism observed is the continued use of the City Statistics report which provides information on trends in City Fund’s workforce, economy, and role as a financial and professional services hub in the context of the same trends observed UK-wide.</p> <p>We have not identified new recommendations for 2023-24, our prior year recommendation in this area is partially responded to and remains open (see page 56 for further details).</p>	<p style="text-align: center;"><b>Amber</b></p> <p style="text-align: center;">No significant weaknesses in arrangements identified, but improvement recommendations made</p>
<p>Evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>City Fund was not subject to an Ofsted inspection in 23/24, the 2020 inspection was rated ‘Outstanding’ and remains the most relevant City Fund-wide inspection. Re-inspection is risk based, this rating confirms that City Fund is low risk in this area.</p> <p>The Local Government Ombudsman deal with complaints escalated to them regarding the Council’s activities. The Annual Letter from the Ombudsman for 23/24 reports that City Fund had no complaints investigated, and no recommendations were due for compliance in the period, nor were any complaints upheld. This is strong performance indicative of robust governance and leadership arrangements.</p>	<p style="text-align: center;"><b>Green</b></p> <p style="text-align: center;">No significant weaknesses in arrangements identified or improvement recommendation made</p>

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# Improving economy, efficiency and effectiveness

We considered how City Fund:

Commentary on arrangements

Assessment

Evaluates the services it provides to assess performance and identify areas for improvement

City Fund was not subject to an Ofsted inspection in 2023-24, the 2020 inspection was rated ‘Outstanding’ and remains the most recent and relevant City Fund-wide inspection. Re-inspection is risk-based, as the rating confirms that City Fund is low-risk in this area.

The Local Government Ombudsman deals with complaints escalated regarding City Fund’s activities. The Annual Letter from the Ombudsman for 2023-24 reports that City Fund had no complaints investigated, and no recommendations were due for compliance in the period, nor were any complaints upheld. This is strong performance indicative of robust governance and leadership arrangements.

In preparation for an expected CQC inspection in Adult Social Care Services in 2024-25 City Fund undertook a self-assessment against the Adult Social Care Self-Assessment Framework. This was reported to the relevant service committee, sub-committee and scrutiny committee and has been subject to comprehensive challenge to ensure accuracy in the reflections on performance. Overall, the reflections are positive with some areas for improvement noted. A peer review conducted in August 2023, in collaboration with the Local Government Association, did not raise any areas of significant concern in relation to the service, but identified some opportunities for improvement and actions to achieve these. The findings from these two assessments informed the internally-developed Adult Social Care Service Improvement Plan which is expected to be delivered in 2024-25.

Robust governance arrangements to monitor progress against the Plan are in place. Responsibility for overall management of the Plan sits with the Adult Social Care Head of Service, they liaise with individual action owners throughout the year to obtain updates on their progress. The Adult Senior Management Team review and provide governance sign-off and the Adult Social Care Assurance Board oversees delivery monitoring. The latest update on the Plan highlights that 34% of actions are complete and delivery is on track. Reporting to Members is expected to take place every 6 months and so 2024-25 VFM work will establish whether City Fund has successfully delivered all actions within the Plan, progress to date is positive.

A specific program was established within Adult Social Care focusing on transformation and inspection, overseen by a Programme Board chaired by the Executive Director of Community and Children’s Services. This is further evidence of the improvement journey City Fund is on in this specific area, which is a service experiencing pressures sector-wide.

No recommendations have been raised and arrangements in this area are deemed to be effective.

**Green**  
No significant weaknesses in arrangements identified or improvement recommendation made



# Improving economy, efficiency and effectiveness

We considered how City Fund:

Commentary on arrangements

Assessment

Ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

City Fund prioritised improved resident engagement through initiatives such as City Question Time events and the appointment of a Resident Campaigns and Communications Manager. The launch of the City Belonging Project has further contributed to a more inclusive and connected Square Mile. Additionally, the development of the People Strategy reflects a commitment to inclusivity, employee involvement, and long-term organisational development. These efforts demonstrate City Fund's dedication to enhancing community engagement and fostering a stronger relationship with residents.

No recommendations have been raised and arrangements in this area are deemed to be effective.

**Green**  
No significant weaknesses in arrangements identified or improvement recommendation made

Commissions or procures services, assessing whether it is realising the expected benefits

Oversight responsibilities in relation to procurement are fulfilled, in part, by the Projects and Procurement Sub-Committee, a sub-committee of the Finance Committee. Its responsibilities include scrutinising and ensuring VFM on procurement contracts at key stages, including initial tender strategy to final contract award sign off. It makes recommendations on contracts to the Finance Committee, considering lessons learned when major contracts are coming to an end, reviewing waiver approvals, and collaborating with the Finance Committee to monitor performance and compliance with procurement regulations and the Procurement Code.

City Fund engaged consultants, the Human Engine, to undertake a Strategic Procurement Review. This is currently ongoing and aims to support City Fund in ensuring best value and efficient use of resources. It seeks to establish a common vision for best practices and create a comprehensive improvement plan for the next five years and beyond. The final report is expected in 2024-25 and therefore any improvement findings may not reasonably be expected to be embedded until 2025-26.

City Fund maintains a Contracts Register. As part of the new Procurement Act regulations, organisations must publish their pipeline notice, informed by an updated and published Contracts Register. City Fund is already complying with this requirement of the Act.

City Fund does not have a standardised approach to contract management and there can be inconsistencies in approach. There is an opportunity to make improvements in this respect to generate efficiencies.

Our work in this area has identified an opportunity for improvement and we have raised one improvement recommendation to further enhance arrangements. Further details can be found on page 36 of this report.

**Amber**  
No significant weaknesses in arrangements identified, but improvement recommendations made



# Improving economy, efficiency and effectiveness

## 3Es area for improvement

### Consistency of contract management approach

Discussions with officers highlighted that City Fund's contract management process is not standardised across all departments. Inconsistencies can occur depending on the department or individual contract managers. Standardised, formally documented processes ensure consistent and transparent practices for contract management, thereby enhancing governance and efficiency within the organisation's procurement procedures.

City Fund is in the initial stages of establishing a new Contract Management Team to enhance contract management arrangements. Alongside this, it is the intention to develop standardised contract management practices across services and enhance staff capabilities in response to new regulatory requirements of the Procurement Act 2023. These include requirements for organisations to publish KPIs and track spending performance against them.

Although City Fund is in the process of updating its Procurement Strategy and Procurement Code, to support the new Contract Management Team, further developments will not be finalised until the publication of the Human Engine report from the ongoing Strategic Procurement Review. The review specifically examines City Fund's contract management arrangements, therefore it can ensure that any changes to arrangements collate the findings in conjunction with regulation changes. The implementation of new contract management practices will be contingent upon findings and recommendations outlined in the Human Engine report, however there is an opportunity to review and seek to standardise arrangements in advance of the report being finalised to realise potential efficiencies.

**Improvement recommendation 18:** City Fund should seek to standardise contract management arrangements, policies and procedures across the organisation to maximise compliance, transparency and efficiency.

# Value for Money recommendations raised in 2023-24



# Recommendations raised in 2023-24

Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 City Fund should, in collaboration with Members, review business rate assumptions to ensure they are realistic in the medium-term.	Improvement	Financial sustainability	24-25 Budget and MTFP	Over-prudence in the funding assumption suggests an opportunity to maximise a key income stream is being missed which could respond to medium-term budget pressures.	<p><b>Actions:</b> Business rate assumptions and forecasts are part of the annual MTFP discussions with members and residents/business as part of the ratepayer consultation meeting. Due to the uncertainty around the future direction of business rates with the potential reset and new government, no further assumptions were made in 24/25 in relation to an increase. This will be reviewed in light of the 30th October budget and 25/26 MTFP.</p> <p><b>Responsible officer:</b> Phil Black, Daniel Peattie</p> <p><b>Executive lead:</b> Chamberlain</p> <p><b>Date:</b> March 2025</p>
IR2 City Fund should review its assumptions in relation to the Barbican Capital and Cyclical Works Programme to ensure that it is affordable in the medium-term. Prior to embarking on any additional works included in the financial planning City Fund will need to address Internal Audit's concerns around controls in the repairs programme.	Improvement	Financial sustainability	24-25 Capital Programme	Omissions of known expenditure in the programme could lead to unanticipated budget pressures and unanticipated financing requirements.	<p><b>Actions:</b> Amounts set aside for CWP within the 24/25 MTFP were fully funded and cover the next 5 year period. The wider Barbican renewal programme is currently producing a detailed business plan to assess the needs over the MTFP period and beyond which includes consideration of the financial impacts. The CWP programme is finalising recruitment of a programme team to support and track delivery of the programme.</p> <p><b>Executive lead:</b> Chamberlain/City Surveyor</p> <p><b>Date:</b> Ongoing</p>

# Recommendations raised in 2023-24

Explanations of the different types of recommendations which can be made are summarised in Appendix B.

	Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR3	<p>City Fund should review its HRA assumptions to ensure the medium-term outlook is realistic and sustainable. Detailed analysis of demand, total cost and unit cost factors would be useful in supporting this review. The review should specifically consider estimates around capital, repairs and income. In reviewing the repairs element of the HRA City Fund has the opportunity to identify successful examples elsewhere in the sector and apply to their own challenges. Following internal and external Housing Service and HRA reviews City Fund should develop detailed action plans to progress recommendations and monitor these effectively to completion.</p>	Improvement	Financial sustainability	HRA 5-year Forecast and Outturn Reports	Over-optimism in the expenditure assumptions could lead to unanticipated budget pressures.	<p><b>Actions:</b> HRA projections and assumptions were reviewed for a presentation to members in September in preparation for the 2025/26 Budget Estimates and a new stock condition survey is being commissioned to support the medium term analysis. The repairs element is being reviewed internally by the new Housing team led by the recently appointed Head of Repairs with an action plan to follow.</p> <p><b>Responsible officer:</b> Peta Cain / Mark Jarvis</p> <p><b>Executive lead:</b> Director of Community &amp; Childrens Services / Chamberlain</p> <p><b>Date:</b> April 2025</p>
IR4	<p>As City Fund continues to develop savings via the RPR process and Project Management System procurement it should seek to improve arrangements by:</p> <ul style="list-style-type: none"> <li>Analysing the ability of the RPR to fully mitigate gaps in the MTFP and present this to Members.</li> <li>Develop a savings monitoring framework to effectively track savings delivery via the RPR and present this to Members alongside budget monitoring.</li> <li>Producing a cost-benefit analysis of the proposed Project Management System, considering savings it could feasibly deliver in the RPR and MTFP.</li> </ul>	Improvement	Financial sustainability	24-25 Budget and MTFP EPMO Proposals Discussions with Finance Officers	Effective monitoring of savings is essential for transparency, accountability and to allow a proactive (rather than reactive response) should performance be below target.	<p><b>Actions:</b> The corporation is transitioning from the previous RPR programme to a new refreshed transformation programme. This is focusing on a number of key areas which are aimed to also deliver financial benefits. Alongside these specific programmes, the monitoring and reporting of savings is being updated to be included within regular monitoring reports to Chief Officers and members from 25/26. This will see a RAG rating of savings delivery to provide clear visibility on progress. The Project management system procurement has been approved and the implementation is underway.</p> <p><b>Responsible officer:</b> Daniel Peattie</p> <p><b>Executive lead:</b> Chamberlain</p> <p><b>Date:</b> April 2025</p>

# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR5 City Fund should develop a Delivery Framework to support the Housing Strategy to ensure its aims can be successfully delivered, operationally. The Framework should include clear actions, responsible individuals, to metrics to measure success of outcomes and a framework for monitoring performance.	Improvement	Financial sustainability	Housing Strategy	To ensure the outcomes required by the Strategy can be successfully achieved the Strategy needs to be supported by an operational action plan to act as a roadmap between objectives and outcomes.	<b>Actions:</b> Develop a Delivery Framework and Actions Plan to ensure the delivery of the Housing Strategy. <b>Responsible officer:</b> Peta Cain <b>Executive lead:</b> Director of Community & Childrens Services <b>Date:</b> April 2025
IR6 City Fund should undertake detailed analysis of the causal demand, unit cost, total cost and supply side factors impacting social care and present these to Members to inform the response to mitigating the pressures being observed.	Improvement	Financial sustainability	23-24 Outturn Report 24-25 Budget and MTFP	Detailed analysis allows City Fund to pinpoint to causal factors of the pressures and develop a targeted response.	<b>Actions:</b> Analyse causes and costs of social care and report and review mitigating actions in a report to members. <b>Responsible officer:</b> Mark Jarvis / Chris Pelham <b>Executive lead:</b> Chamberlain / Director Of Community & Childrens Services <b>Date:</b> April 2025
IR7 City Fund should undertake targeted research into appropriate temporary accommodation solutions which respond to demand, supply and cost factors causing pressures in this service.	Improvement	Financial sustainability	23-24 Outturn Report 24-25 Budget and MTFP National Data	A multi-faceted response to the pressures being observed will maximise success of improving outcomes.	<b>Actions:</b> Review causes and costs of temporary accommodation and appropriateness and effectiveness of mitigating actions. <b>Responsible officer:</b> Mark Jarvis / Chris Pelham <b>Executive lead:</b> Chamberlain / Director Of Community & Childrens Services <b>Date:</b> April 2025

# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR8</p> <p>City Fund should ensure the People Strategy is completed in full so it can begin to embed. It is important a People Plan is developed to translate the strategic objectives into tangible actions to achieve them. A framework will be required to ensure progress of the actions within the Plan are effectively monitored.</p>	Improvement	Financial sustainability	People Strategy discussions with Finance Officers	To ensure the outcomes required by the Strategy can be successfully achieved the Strategy needs to be supported by an operational action plan to act as a roadmap between objectives and outcomes.	<p><b>Actions:</b> The People Strategy is a 5-year strategy which will run to 2029/30. Currently a partner is being sought through procurement to ensure that the workstreams and actions on the People Strategy are fully designed, developed, and delivered and include key milestones. A change in the ways of working within People &amp; HR in early 2025 will introduce a team that will purely focus on the design, delivery and embedding of all the elements of the people strategy.</p> <p><b>Executive Lead:</b> Chief People Officer</p> <p><b>Date:</b> TBC</p>
<p>IR9</p> <p>City Fund consider reviewing its investment portfolio across long- and short-term instruments to balance liquidity with securing higher returns to protect the medium-term financial position.</p>	Improvement	Financial sustainability	Treasury Management Year End Report 23-24 Treasury Management and Annual Investment Strategy 24-25	Considering longer-term investments with higher yields may mitigate the negative impact of expected decreasing interest rates which will impact short-term instruments most significantly.	<p><b>Actions:</b> Whilst Management notes the recommendation, the Authority must follow CIPFA's Treasury Management Code of Practise which prioritises security and liquidity over yield. In addition, the Authority has a major project programme that needs to be funded over the short to medium term. The Treasury Management Strategy allows for investments up to three years, and during 2023/24 the authority did enter into a three-year fixed term deal at very competitive rates (when the Bank Base Rate stood at 5.25%). Whilst officers will look for suitable opportunities to invest over the longer term, the primary objectives will remain the security and liquidity, to meet the funding needs of the Authority over the short to medium term.</p> <p><b>Responsible Officer:</b> Kate Limna / Sarah Port</p> <p><b>Executive Lead:</b> Chamberlain</p> <p><b>Date:</b> April 2025</p>



# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR10</p> <p>City Fund should seek to improve arrangements in relation to HRA capital and repairs by undertaking a 'lessons learned, exercise on slippage on Sydenham Hill and New York Way projects. In addition, it should review current capital and repairs reserve forecasts for optimism bias and affordability.</p>	Improvement	Financial sustainability	HRA 5-year Forecast and Outturn Reports	<p>A lessons learned exercise reduces the risk of repeating the causal factors of the slippage observed.</p> <p>Over-optimism in expenditure assumptions could lead to unanticipated budget pressures.</p>	<p><b>Actions:</b> Lessons learned exercise on new build capital projects to be carried out as part of the usual Gateway 6 project completion process.</p> <p><b>Responsible officer:</b> Ola Obadara / Mark Jarvis</p> <p><b>Executive lead:</b> City Surveyor / Chamberlain</p> <p><b>Date:</b> December 2025 (post projects completion)</p>
<p>IR11</p> <p>City Fund should prioritise the renewal of the Anti-Fraud and Corruption Strategy in 2024-25.</p>	Improvement	Governance	Anti-Fraud and Corruption Policy 2019	<p>Outdated policy and strategy documents can lead to inconsistencies in the application of processes, control issues and non-compliance with standards. Such a policy may be ineffective at managing the risk it seeks to mitigate.</p>	<p><b>Actions:</b> Counter Fraud Manger to update the Anti-Fraud &amp; Corruption Strategy in Q4 24/25 – the update will be reported to the Audit &amp; Risk Management Committee for scrutiny.</p> <p><b>Responsible Officer:</b> Chris Keesing, Counter Fraud &amp; Investigation Manager</p> <p><b>Executive Lead:</b> Chamberlain</p> <p><b>Due Date:</b> Q4 24/25</p>
<p>IR12</p> <p>City Fund should engage Internal Audit to undertake a comprehensive review of risk management arrangements following changes made in 2023-24 and 2024-25. This proactive step will ensure that risk management processes are robust and effective across City Fund, aligning with best practices and promoting a culture of strong risk governance.</p>	Improvement	Governance	Discussions with Officers (including Internal Audit)	<p>Assurances on the effectiveness of key internal controls are vital in ensuring that processes and controls are effective in their purpose and are being consistently applied. As changes are being made to the current processes and controls in risk management it is important that Members and officers understand whether they are embedding effectively and producing the desired outcomes.</p>	<p><b>Actions:</b> Internal Audit work includes a rolling programme of risk management reviews, drawing together thematic findings for corporate attention. A more comprehensive review of risk management will be incorporated within the forward programme of assurance work.</p> <p><b>Responsible Officer:</b> Matt Lock, Head of Internal Audit</p> <p><b>Executive Lead:</b> Chamberlain</p> <p><b>Due Date:</b> 30<sup>th</sup> June 2025</p>

# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR13</p> <p>City Fund should undertake more frequent monitoring of the progress of recommendations from the Zurich review of risk management arrangements at the Audit &amp; Risk Management Committee until they are fully completed.</p>	Improvement	Governance	Zurich Report on Risk Management	Robust monitoring arrangements will ensure effective transparency and accountability is achieved, and ultimately maximises the ability to deliver recommendations in full to achieve improved outcomes.	<p><b>Actions:</b> Risk management is routinely monitored as part of our Officer and Member governance, including work stemming from the Zurich Risk Management Culture and Appetite Review. Progress on improving risk management culture is regularly included in updates to the Audit and Risk Management Committee and they are also being involved in and briefed on the work to set the City Corporation's risk appetite.</p> <p><b>Responsible Officer:</b> Tabitha Swann, Head of Corporate Strategy and Risk</p> <p><b>Executive Lead:</b> Dionne Corradine, Chief Strategy Officer</p> <p><b>Due Date:</b> This action is covered by existing reporting and oversight arrangements (so already in place).</p>
<p>IR14</p> <p>To ensure that decision makers are provided with appropriate assurances from Internal Audit the below is required:</p> <ul style="list-style-type: none"> <li>continued close monitoring of resourcing via the Internal Audit Dashboard and liaison with officers and Members should further challenges emerge.</li> <li>additional investment to continue to build resilience into the team and ensure delivery is maintained in the short-term, and aspirations of growth deliverable in the medium-term.</li> <li>development of formalised 3-year Strategic Audit Plan, which will be aided by continued training and recruitment at Senior Auditor level.</li> </ul>	Improvement	Governance	Discussions with Internal Audit Internal Audit Annual Report 23-24 Internal Audit Progress Reports 23-24 and 24-25 Internal Audit Dashboard	Internal Audit is a key risk management tool and it is imperative the service operates effectively to support City Fund in ensuring it effectively manages its system of internal control.	<p><b>Actions:</b> The recommended actions are already in progress in 2024/25 and will be ongoing.</p> <p><b>Responsible Officer:</b> Matt Lock, Head of Internal Audit</p> <p><b>Executive Lead:</b> Chamberlain</p> <p><b>Due Date:</b> Ongoing</p>

# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR15 City Fund should improve capacity, processes and systems within the Governance and Member Services department to ensure consistency and availability of complaints handling performance data.	Improvement	Governance	Discussion with Director of Governance and Member Services	Complaints are a risk to reputational damage and therefore it is important they are managed effectively. Robust data collection and reporting is an important foundation to complaints performance management.	<p><b>Actions:</b> An improved complaints management process has been designed and is due to be submitted to SLT for consideration. A proposal in respect of enhanced resourcing arrangements is included within this.</p> <p><b>Responsible Officer:</b> Polly Dunn, Assistant Town Clerk</p> <p><b>Executive Lead:</b> Greg Moore, Deputy Town Clerk</p> <p><b>Due date:</b> 31 January 2025</p>
IR16 City Fund should maximise the possibility of compliance with the new Procurement Act 2023 and updated internal procurements policies, by developing targeted formalised training in respect of these documents.	Improvement	Governance	Discussions with Procurement Compliance Officer	Lack of training may lead to instances of non-compliance with new regulations which may have financial, legal and reputational consequences for City Fund.	<p><b>Actions:</b> All team members in the Commercial Service have completed the Government Commercial Function Procurement Act (2023) e-learning modules. Regular updates and briefings on the requirements of the Act are shared at Category Boards and a communication and stakeholder engagement plan has been developed.</p> <p><b>Responsible Officer:</b> David Cooke, Interim Head of Commercial and Procurement</p> <p><b>Executive Lead:</b> Chamberlain / Commercial Director</p> <p><b>Date:</b> TBC</p>

# Recommendations raised in 2023-24

Recommendation	Type of recommendation	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR17 City Fund should establish clear and well-defined processes for staff to follow when procuring or commissioning services, in particular when dealing with waivers. This should include the documentation of standardised procurement processes, incorporating clear guidelines for waivers.	Improvement	Governance	Discussions with Procurement Compliance Officer	Standardisation reduces inconsistencies of approach to procurement and mitigates risks of non-compliance with internal policies and external regulations.	<p><b>Actions: Noted.</b> This is included in the scope of the strategic procurement review that is currently underway.</p> <p><b>Responsible Officer:</b> David Cooke, Interim Head of Commercial and Procurement</p> <p><b>Executive Lead:</b> Chamberlain / Commercial Director</p> <p><b>Date:</b> Ongoing</p>
IR18 City Fund should seek to standardise contract management arrangements, policies and procedures across the organisation to maximise compliance, transparency and efficiency.	Improvement	3Es	Discussions with Procurement Compliance Officer	Standardisation reduces inconsistencies of approach to procurement and mitigates risks of non-compliance with internal policies and external regulations.	<p><b>Actions: Noted.</b> This is included in the scope of the strategic procurement review that is currently underway.</p> <p><b>Responsible Officer:</b> David Cooke, Interim Head of Commercial and Procurement</p> <p><b>Executive Lead:</b> Chamberlain / Commercial Director</p> <p><b>Date:</b> Ongoing</p>

# Appendices

# Appendix A: Responsibilities of the audited body

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

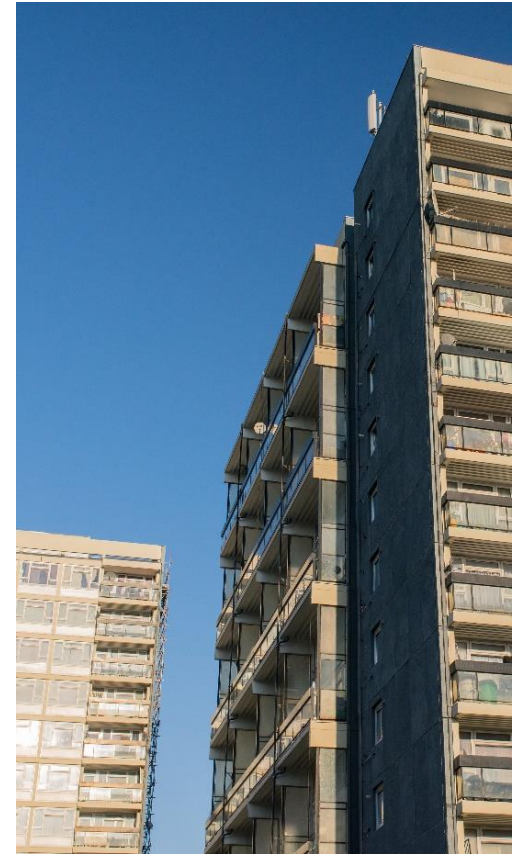
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) 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 Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the audited body's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the audited body will no longer be provided.

The audited body is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money auditor responsibilities



## Value for Money arrangements work

All local authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body’s responsibilities are set out in Appendix A. Local authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice (the Code), requires us to assess arrangements under three areas:

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**Financial sustainability**

Arrangements for ensuring the audited body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

**Governance**

Arrangements for ensuring that the audited body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the audited body makes decisions based on appropriate information.

**Improving economy, efficiency and effectiveness**

Arrangements for improving the way the audited body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023-24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

### Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the audited body’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

### Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

### Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the audited body’s auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and require discussion at full council (or equivalent) and a public response.
- **Key recommendations** – actions which should be taken by the audited body where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the audited body’s arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>1. Financial sustainability – Budget Setting</b></p> <p>City Fund should update the budget setting process to:</p> <ol style="list-style-type: none"> <li>Provide additional detail to Members, specifically in relation to assumptions and risks.</li> <li>Consider applying the zero-based budgeting approach when setting the 2024-25 budget and MTFP.</li> </ol>	Improvement	February 2024	<ol style="list-style-type: none"> <li>There is no evidence that risks are quantified in monetary terms/impact on the budget in budget setting information or within the Chamberlain's Departmental Risk Register. We continue to note omissions in risks to the budget on Temporary Accommodation. The outturn position for 23-24 was positive and 24-25 expected to breakeven, and so emerging risks are currently effectively managed. No information is provided to Members regarding collection rate assumptions for council tax or business rates which impact income levels, likewise limited disclosures were noted in relation to pay awards. The timing of the recommendation did not allow for updates to the process for 24-25. For 24-25 pressures and mitigations are recorded at a more granular level to improve the tracking and reporting on savings/mitigations during the year. This information will be incorporated into the budget monitoring reports from Autumn 2024 onwards to help inform Members of key risks and progress.</li> <li>City Fund has not implemented zero-based budgeting approach for 24-25. For 25-26 it was considered but instead a Deep Dive process was implemented which ensures consideration of how services can be delivered differently or if any services can be ceased. This seeks the same benefits of the zero-based approach.</li> </ol>	Partially	Part 1 of the recommendation remains open and will be reviewed in 2024-25.



# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>2. Financial sustainability – Savings</b></p> <p>City Fund should prioritise developing a savings and efficiency plan as a successor to the Target Operating Model (TOM) and supporting programmes. In doing so City Fund should:</p> <ol style="list-style-type: none"> <li>1. Ensure the programme focuses on transformation and considers income generation opportunities alongside cost savings.</li> <li>2. Reinstate the Efficiency and Performance Committee to assist in the development and ongoing monitoring process.</li> <li>3. Establish an operational team to facilitate co-ordination and provide capacity to deliver the programme.</li> </ol>	Improvement	February 2024	<p>Although TOM savings continue to be included in the 24-25 budget and MTFP until they are fully realised, no new savings are identified via this route. The TOM will be superseded by the Resources and Priorities Refresh Programme (RPR). This is in the development stage but expects to develop multiple workstreams which generate efficiencies by reviewing how services are delivered and what services are delivered. A 'deep dive' process is taking place as part of the 25-26 budget to achieve this. Current workstreams being prioritised are in Asset Management and Income Generation, and the new programme has moved away from % budget cuts and aims to be more transformative in nature.</p> <p>Progress was made with a presentation and discussion of options for transformation taken to Members at the July 2024 RASC away day. It included three themes looking at big ideas, what is already in flight, and development of commercial maturity. Which includes income generation opportunities and cost savings.</p> <p>As part of the update to the approach to savings City Fund is also seeking to strengthen governance arrangements to maximise success. This includes establishment of an Efficiency and Performance Working Group for increased scrutiny of savings. City Fund is currently seeking to replace its existing Project Management System, the new system is expected to significantly enhance City Fund's project and programme management processes. The Transformation Team led by the Commercial, Change and Portfolio Delivery Director is already in place and a Chief Officer has been appointed as the SRO.</p>	Yes	Superseded by 2023-24 IR4, see page 39.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>3. Financial sustainability – HRA revenue</b></p> <p>City Fund should review its arrangements for monitoring the HRA including reviewing performance more frequently, more detailed information provided to Members regarding performance and monitoring consistently undertaken by the most relevant committee.</p>	Improvement	February 2024	The overall performance of the HRA is included in quarterly budget monitoring, more detailed performance is presented as part of the HRA specific outturn report. We have not observed a change in the frequency or detail of the monitoring of the HRA. Our recommendations were made in February 2024 so there has been limited opportunity to implement changes. We are aware that City Fund is undertaking a review of the HRA and plans to present findings to Members in Autumn 2024, including an updated 5-year forecast. This increases oversight by bringing forward the re-forecasting and provides the opportunity to further update monitoring arrangements.	No	Recommendation remains open, to be reviewed as part of 2024-25 work.
<p><b>4. Financial sustainability – HRA capital</b></p> <p>Improve efficiency in the HRA Capital Programme by:</p> <ol style="list-style-type: none"> <li>Shifting focus of repairs and maintenance programme to more proactive and pre-planned approach.</li> <li>Develop forward-looking Housing Strategy, covering the same planning horizon as the HRA, and an Asset Management Strategy for the housing stock.</li> <li>Undertake an external review of the cost base and/or remodelling to identify savings in the medium-term and boost the HRA and MRR reserve positions further.</li> </ol>	Improvement	February 2024	<p>1. City Fund increased oversight and liaison with the Repairs Team to build strong foundations, aiming to move away from emergency repairs, including focus on improving accuracy in costing and profiling of works. Issues have been identified in relation to incumbent contractor with repairs escalated to emergency status. Focus has been on 23-24 and 24-25, gathering information for action on causal issues. We acknowledge the positive work to address the root cause but note that emergency repairs continue to be a source of pressure in the HRA.</p> <p>2. A Housing Strategy was developed and completed in early 24-25. We recommend developing a supporting operational plan to achieve the strategic objectives, including a framework for monitoring success. The Asset Management Plan is to be developed but is a key workstream within the RPR and part of 25-26 priorities.</p> <p>3. City Fund is gathering significant amounts of data and opinion in this area via internal and external reviews. Action plans need to be developed to take recommendations from reviews forward, we have confirmed that this is planned for September 2024 and so not yet mobilised.</p>	Partially	<p>Point 1 – remains open for review in 2024-25.</p> <p>Points 2 and 3 - superseded by IR3 and IR4, see pages 38-39.</p>

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p data-bbox="114 483 568 547"><b>5. Financial sustainability – Capital programme</b></p> <p data-bbox="114 563 707 722">There is the opportunity to review governance arrangements in place to monitor and project manage all projects within the capital programme to avoid the need to pause it in future years. The review of arrangements should consider:</p> <p data-bbox="114 730 707 882">Developing an updated, robust project framework to take capital projects from initiation all the way through to completion managed by a dedicated Project Management Office [PMO].</p> <p data-bbox="114 890 707 978">Providing training within the updated framework to ensure compliance and consistent application.</p> <ul data-bbox="114 986 707 1366" style="list-style-type: none"> <li data-bbox="114 986 707 1169">• Exploring longer term actions it can take to address the overspend expected in the medium-term capital programme as pausing applications for new bids and cancelling capital plans will not be sustainable in the medium-term.</li> <li data-bbox="114 1177 707 1366">• In developing a new Capital Oversight Board City Fund must ensure that there is no duplication of responsibilities between the existing Capital Buildings Board, any new Board, Finance and the operational project management teams</li> </ul>	Improvement	February 2024	<p data-bbox="1160 483 1644 579">A review into Programme and Projects Governance is underway and due to report back to Members in Autumn 2024. Approval has been given to proceed with the procurement of a new EPMO system to support the recording and monitoring of project information. Recruitment into the new EPMO structure is also underway at this moment with a number of roles being interviewed for. The updated Capital Strategy includes new bids for investment from 25-26 at £15m per annum. The bid process is assessed annually, on business needs, through the Priorities Board (made of Chief Officers and led by the Town Clerk/Chief Executive), this is to ensure bids come in within the envelope supported by Resource Allocation Sub-Committee at their away day, but also support City Fund's priorities. For 24-25 the capital pause was lifted and the bid process was scrutinised by the Capital Team prior to being presented to the Priorities Board for onward approval. It is clear that City Fund has responded to the issue in terms of its governance. Actions are expected to complete and embed in 24-25.</p>	Yes	No

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>6. Financial sustainability – Treasury management</b></p> <p>City Fund should review its investment portfolio to ensure that it is maximising returns that can be generated within its Treasury Management Strategy.</p>	Improvement	February 2024	The Council made an average return on investments of 5.97% in 23-24, relying on short-term liquid investments. Comparison with a large London borough council shows similar returns with a diversified portfolio. The strategy for 23-24 is appropriate and we have closed this recommendation. In light of reducing interest rate forecasts in the medium-term we raised a recommendation relevant to 24-25 treasury practices and beyond.	Yes	<p>Recommendation responded to for 23-24.</p> <p>IR9 raised on page 24, relevant to 24-25 and the medium-term.</p>
<p><b>7. Financial sustainability – stakeholder engagement</b></p> <p>City Fund should explore ways to increase, and maximise, resident feedback.</p>	Improvement	February 2024	<p>The 22-23 Auditor’s Report was presented in February 2024, as the 24-25 budget setting process completed, culminating in an approved budget and MTFP in February 2024. There was no scope to include resident consultation within the process at this stage.</p> <p>City Fund holds a resident and ratepayer event in January each year as part of a Question Time event to present and consult on proposals with residents and businesses before the formal approval of the budget.</p>	Yes	No

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>8. Financial Sustainability – Capacity</b></p> <p>City Fund should seek to respond to the staffing and capacity challenges it has faced in 2022-23 as a result of the Target Operating Model (TOM) by:</p> <ol style="list-style-type: none"> <li>Ensuring regular Member oversight of vacancy rates, agency spend and mitigating actions City Fund-wide until the impact of the TOM has been addressed. Oversight should focus on departments experiencing capacity challenges highlighted as high risk in departmental risk registers or the Corporate Risk Register, thereafter.</li> <li>Undertaking a detailed review of the required establishment, for the Finance team, and developing succession planning tools to avoid future capacity challenges.</li> <li>Developing a City Fund-wide Workforce Plan, to support the People Strategy.</li> </ol>	Improvement	February 2024	<ol style="list-style-type: none"> <li>The impact of the TOM on recruitment and retention has stabilised. Recruitment and retention is amber-rated on the Corporate risk register. A paper was taken to committees in Spring 2024 outlines findings of a Temporary Labour contract review carried out with Evolving Solutions and recommendations for procurement and mobilisation of a new temporary labour contract. Reporting on agency spend was provided and ways identified to allow future reporting. New reporting and monitoring practices will be implemented alongside the new contract July 2025. Vacancy reporting is built into the HR Workforce dashboard launched in July 2024, reported quarterly. This data is reported annually to Members. The TOM has been superseded and the replacement savings programme is not expected to have the same impact, although the programme is in design stage and should staffing pressures emerge City Fund may wish to initiate regular monitoring.</li> <li>City Fund started building capacity during 2023 with several temporary staff joining the Finance Team. In 2024, the team is stable with permanent resources to deliver finance responsibilities in relation to City Fund. The same finance team manages the financial reporting duties for the City Estate and City Bridge Foundation. We are satisfied that the Finance Team understand its required establishment.</li> <li>People Strategy is developed, but incomplete, our 23-24 recommendations reflect the need to complete the Strategy and re-emphasise the need to develop a supporting Plan.</li> </ol>	Yes	Recommendation responded to. People Strategy element superseded by 2023-24 IR8, see page 23.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>9. Governance – Risk management</b></p> <p>City Fund should continue to review and make iterative improvements to its Risk Management Strategy including:</p> <ol style="list-style-type: none"> <li>Mapping risks within the Corporate Risk Register to objectives within the Corporate Plan.</li> <li>Understanding the cause of risks being carried above City Fund’s risk appetite, reviewing the risk appetite itself to ensure it remains realistic and/or implementing additional mitigations to reduce risk levels.</li> <li>Reviewing risks to ensure completeness, notably consideration of the risks associated with the ERP system implementation.</li> </ol>	Improvement	February 2024	<ol style="list-style-type: none"> <li>There were limited changes to the Risk Management approach in 23-24, although progress has been noted in 24-25. A new five-year Risk Management Strategy 2024-2029 is agreed and starting to be implemented in 24-25. This includes updating the Risk Management Policy and aligning to the newly updated Corporate Plan 2024-2029, which remains in progress.</li> <li>An external review of City Fund's Risk Management Culture and Appetite was completed in 23-24, with recommendations from this review progressing in 24-25. The Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board, meets bi-monthly to review the management of corporate and top red departmental risks, discuss developing risk areas and consider wider aspects of risk management within City Fund, its overarching risk management culture. At a working level, the Risk Management Forum is briefed on/discusses similar issues, including developments on risk appetite and linking risk to achieving corporate objectives.</li> <li>Full risk review undertaken by ERP Board and ERP Member Steering Group as part of the sign-off for Gateway 4C (detailed design sign-off). This included a deep dive into the costed risk provision informed by internal optimism bias on other large capital programmes and looking at other similar projects / budgets with other public sector ERP programmes.</li> </ol>	Partially	We acknowledge the initial actions taken to respond within a limited timeframe due to the timing of the recommendation being raised. The recommendation remains open, although we expect it to be addressed during 2024-25.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>10. Governance – Internal Audit</b></p> <p>City Fund should work with Internal Audit to ensure effectiveness of the service can be maximised by:</p> <ol style="list-style-type: none"> <li>Identifying and investing in increasing capacity needs through a combination of training, upskilling and intensive recruitment exercises.</li> <li>Reviewing additional responsibilities of Internal Audit, especially in relation to ‘deep dive’ support to ensure these can be supported within the team capacity.</li> <li>Ensuring the Internal Audit Plan set at the start of the year is fully PSIAS compliant.</li> <li>Prioritising response to 51 outstanding recommendations raised by Internal Audit relating to prior years.</li> </ol>	Improvement	February 2024	<ol style="list-style-type: none"> <li>The Internal Audit team is fully staffed within the existing structure. Additional funding is agreed to increase the team's capacity.</li> <li>"Deep dive" reviews have been discontinued for 24-25 in favour of more in-depth reviews of departmental risk management.</li> <li>The Internal Audit Plan continues to be informal for 23-24 and 24-25 to date. It is set for 6 months ahead to allow for flexibility. As such we believe this recommendation to be only partially responded to. It has not been possible to address the issues due to capacity issues. The latest self-assessment against the PSIAS is one of ‘generally conforms’, which is positive assurance. However, the self-assessment raises one point of non-conformance in relation to resourcing, moving from partial to non-conformance. This is, again, due to the capacity issues noted which have been addressed per point 1.</li> <li>City Fund is carrying a higher number of open/overdue recommendations than in 22-23. As noted in our detailed work this is a direct consequence of Internal Audit capacity issues not facilitating follow up reviews to close recommendations at an appropriate pace. As noted, capacity issues have been responded to.</li> </ol>	Partially	<p>Points 1, 3 and 4 are superseded by 2023-24 IR14, see page 31.</p> <p>Point 2 is considered closed.</p>



# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>10. Governance – Internal Audit</b></p> <p>5. Working with Internal Audit to develop a formal action plan and tracker, overseen by Members, to formally monitor the progress of outstanding recommendations.</p> <p>6. Reviewing the issues raised in reviews rated 'limited assurance' to determine if the findings are more pervasive than the individual services they relate to.</p>	Improvement	February 2024	<p>5. This has not been completed</p> <p>6. This has not been completed</p>	Partially	Points 5 and 6 remain open
<p><b>11. Governance – Training</b></p> <p>City Fund should undertake an exercise to identify training needs across City Fund and provide required training accordingly.</p>	Improvement	February 2024	<p>A comprehensive review of the training programmes has commenced as part of the Talent and Development theme outlined in the People Strategy, commencing in Year 1. This review will focus on identifying and addressing skills gaps, ensuring that "just-in-time" training is available for key areas of need.</p> <p>Additionally, the review aims to enhance both corporate and local induction processes, creating a more comprehensive and effective onboarding experience for all employees. These efforts will help ensure that City Fund's workforce is equipped with the necessary skills and knowledge to meet organisational objectives and future challenges.</p>	Yes	No



# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>12. Governance – Project governance</b></p> <p>To effectively monitor the progress of the recommendations of the external Project Governance review City Fund should develop a detailed action plan or KPI report which is regularly reviewed by the Policy and Resources or Finance Committee.</p>	Improvement	February 2024	<p>The review into programme and projects governance is underway and due to report back to Members in Autumn 2024. Approval was given to proceed with the procurement of a new EPMO system to support the recording and monitoring of project information. Recruitment into the new EPMO structure is also underway at this moment with a number of roles being interviewed for.</p> <p>A review of project governance was undertaken, and the findings reported to the Policy &amp; Resources Committee in July 2023.</p> <p>The Projects and Procurement Sub-Committee, overseen by the Finance Committee, has the responsibility for corporate assurance of internal capacity and capability to deliver the entire City of London Corporation project portfolio.</p>	Yes	No
<p><b>13. 3Es – Performance management</b></p> <p>City Fund should draw upon existing expertise, software and tools in developing its Performance Management Framework to ensure good practice can be replicated to City Fund-wide approach. Notable good practice already in use in a specific area of the organisation is the Power Bi Dashboard mechanism used to monitor climate change performance.</p>	Improvement	February 2024	See page 33 where we acknowledge the actions being taken to respond to the recommendation and progress being made in 24-25 to work towards improved City Fund-wide performance management. This is a work-in-progress, therefore a response has been initiated and is expected to complete in 24-25.	No	We acknowledge the initial actions taken to respond within a limited timeframe due to the timing of the recommendation being raised. The recommendation remains open, although we expect it to be addressed during 2024-25.

# Appendix C:

## Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>14. 3Es – ERP programme</b></p> <p>City Fund should seek to identify lesson learned from the ongoing ERP programme and apply learning to future major projects or programmes. Actions should include:</p> <ul style="list-style-type: none"> <li>Improved scrutiny and challenge in setting appropriate timelines within project plans to ensure they are realistic at the outset, including contingency for scope changes from the Gateway Review process.</li> <li>Applying a greater degree of rigour to the budget setting process for projects to ensure robustness of assumptions, particularly in relation to staff costs. Greater scrutiny of project and programme budgets, where external parties are involved in their development, to ensure completeness of costs.</li> <li>Improved due diligence when selecting project partners, to ensure their delivery model is suitable for City Fund.</li> <li>Undertaking formal lessons learned, Internal Audit review and/or risk ‘deep dive’ exercise during the ERP programme as it progresses, and once complete, to identify specific improvement areas to apply to this and other projects.</li> <li>Consider increasing transparency of this, and other projects with significant budget increases, in the public interest.</li> <li>Continually reviewing the risk profile of this, and other projects, in light of new information to ensure it remains relevant, is appropriately reflected in the relevant departmental or Corporate Risk Register and is, therefore, managed effectively.</li> </ul>	Improvement	February 2024	<p>The ERP Programme engaged with the gateway review process which includes a focus on lessons learned to ensure efficiency of sign-off process for programme. A new gateway review process has been developed to improve from these lessons and is going to Committee for approval in 24-25.</p> <p>Agreed at Gateway 4C review that:</p> <ul style="list-style-type: none"> <li>Any budget changes will be approved by Finance Committee including use of CRP above 10%.</li> <li>Lead committee to have regular updates and full sight of scope and budget</li> <li>Member steering group to continue to provide cross-committee oversight.</li> <li>Programme board to ensure controls with Finance and HR boards set up to oversee specific scope - all change to go to Programme Board for approval.</li> </ul> <p>An ERP Stakeholder Acceptance, Change and Business Transformation risk is being drafted and will be presented to the September Chief Officer Risk Management Group for consideration for the inclusion in the Corporate risk register.</p>	Yes	No

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>15. 3Es – Climate change communications</b></p> <p>City Fund should ensure that it provides equal access to information for those working and living in the Square Mile in relation to its actions to respond to climate change.</p>	Improvement	February 2024	<p>City Fund's website contains detailed information about the programs implemented under the Climate Action Strategy. This includes annual progress reports and specialised reports on topics such as Financial Investments with TCFD compliance. Additionally, City Fund hosts a Climate Action Dashboard with 68 KPIs covering all aspects of the Climate Action Strategy.</p> <p>Some KPIs are updated quarterly, while the rest are updated annually, including specific KPIs focused on engaging local residents, communities, and businesses in climate action. Furthermore, City Fund supports climate action literacy programs in local schools and collaborates with the Livery Climate Action Group. City Fund also engages in newsletters, event sponsorships, and various initiatives to promote and support climate action.</p>	Yes	No
<p><b>16. Governance – Gifts and Hospitality</b></p> <p>City Fund should ensure staff are aware of the requirements of the Gifts &amp; Hospitality policy and consider rolling out specific refresher training.</p>	Improvement	March 2022	<p>Guidance on gifts and hospitality is included within the Conflicts of Interest Policy in the Employee Handbook, which is circulated to all staff, and further guidance is available through COLNet, the internal staff intranet site.</p>	Yes	No

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
<p><b>17. 3Es – Unit cost review</b></p> <p>City Fund should review its unit cost benchmarking position to determine if there is potential for efficiencies within these service blocks, or if they are comfortable with the comparative unit costs due to variations in statistical nearest neighbours' priorities, as part of their acknowledged interest in the greater use of benchmarking.</p>	Improvement	March 2022	The process being undertaken for 25-26 budget setting is through the lens of a transformation programme which will enable services to pause, step back and make those considerations - allowing for a focussed approach where City Fund can deliver on value add through phase 1 (enabling) and 2 (alignment/prioritisation) of the programme before moving to phase 3 (transformation).	No	Expected to be addressed in 2024-25, therefore recommendation remains open until evidence can be observed.



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<b>Committee:</b> Investment Committee Audit and Risk Management	<b>Dated:</b> 3 October 2024 4 November 2024
<b>Subject:</b> Treasury Management Outturn 2023/24	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>£N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Discussion/ Information</b>
<b>Report author:</b> Adam Buckley – Chamberlain’s Department	

## Summary

The Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) for 2023/24 was approved by the Financial Investment Board and the Finance Committee in February 2023 and by the Court of Common Council on 9 March 2023. (The Financial Investment Board has now been dissolved and replaced with the Investment Committee with effect from 19 May 2023).

Under CIPFA’s Code of Practice on Treasury Management, which was adopted by the Court of Common Council on 3 March 2010, there is a requirement to provide an end of year report. The main points to note are as follows:

- As at 31 March 2024, the City had treasury balances totalling some £901.2m. The majority of these balances are held for payment to third parties or are restricted reserves.
- Cash balances decreased by £146.5m over the course of the year, which was principally due to expenditure related to the Major Projects programme, and an additional Business Rates payment in 2023/24 in relation to adjustments to the prior year.
- Short term investment returns increased throughout 2023/24, with the Bank of England increasing the base rate in successive moves, starting at 4.25% in March 2023 rising to 5.25% by August 2023 where it remained until March 2024. As at September 2024 the base rate stands at 5.00% following a 0.25% reduction on 1 August 2024.
- The investment of funds during the year conformed to the approved strategy and there were no liquidity difficulties or breaches of the approved creditworthiness policy. During the year, a new counterparty was onboarded, United Overseas Bank (UOB). The Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) remains appropriate in enabling the City to pursue its prime objectives of security and liquidity, followed by yield.

## Recommendation

Members are asked to note the report.

## Main Report

### Introduction

1. The City of London Corporation (the City) is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The Treasury Management Strategy Statement and Annual Investment Strategy relating to Treasury Management) [referred to as the 'The Treasury Management Strategy Statement' or 'TMSS'] for 2023/24 was approved by the Financial Investment Board (17 February 2023), Finance Committee (21 February 2023) and the Court of Common Council (9 March 2023). During 2023/24 the Investment Committee received investment analysis reports at each Committee meeting. (The Financial Investment Board has now been dissolved and replaced with the Investment Committee with effect from 19 May 2023).

### Overall Treasury Position as at 31 March 2024

3. The City's treasury position at the start and end of 2023/24 was as follows:

Table 1	31 March			
	Principal 2023	Rate of Return	Principal 2024	Rate of Return
	£m	%	£m	%
Fixed rate funding				
- PWLB	0		0	
- Market	0		0	
	0		0	
Variable rate funding				
- PWLB	0		0	
- Market	(450.0)		(450.0)	
	(450.0)		(450.0)	
<b>Total debt</b>	<b>(450.0)</b>		<b>(450.0)</b>	
<b>Total investments</b>	<b>1,047.7</b>	<b>2.39 *</b>	<b>901.2</b>	<b>5.97 *</b>
<b>Net Investments</b>	<b>597.7</b>		<b>451.2</b>	

\* This rate of return includes the short-dated bond funds. The rate of return excluding the short-dated bond funds was 5.64% (2022/23: 3.39%). This was reported to Members at the May Committee.

Table 1 demonstrates that short term investments decreased by £146.5m from £1,047.7m as at 31 March 2023 to £901.2m as at 31 March 2024, which is largely due to an additional Business Rates payment in relation to adjustments to the prior year (£57.0m) in March 2024; capital expenditure incurred on the purchase of Europa Trade Park (£26.5m) in April 2023 and 3-9 Brewery Road (£12.1m) in July 2023; and expenditure on Major Projects throughout the financial year. The rate of return refers to the weighted average return of the portfolio as at the balance sheet date, rather than income earned in the period (which is discussed further at paragraph 24). The overall rate of return as at 31 March 2024 was much higher than a year earlier, as interest rates increased throughout 2023/24 due to the continued tightening of monetary policy from central banks; albeit less aggressively compared to the prior year, which had a positive effect on the market value of the City's short-date bond fund investments.



4. The weighted average rate of return was affected by the short-dated bonds, as bond prices have an inverse relationship with interest rates (i.e. when interest rates increase, bond prices decrease and vice versa), and hence there was a corresponding decline in short-dated bond fund returns (i.e. *non-specified investments*) during 2022/23. However, as interest rates rise, the bond fund managers are able to reinvest the maturing bonds at a higher yield, thus raising the level of income in the portfolio, that is, income, rather than capital gains, will make up a greater part of the total return generated by these funds.
5. Following the consultation undertaken by the Department of Levelling Up, Housing and Communities (DLUHC)<sup>1</sup> on IFRS 9, the Government has extended the current mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Therefore, any capital gains/losses on the short-dated bond funds will continue not to be taken through the City's General Fund (i.e. City Fund). The City are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.
6. As City Fund is by far the largest participant in the TMSS in terms of investment balances, which are expected to endure for the foreseeable future, in order to ensure the TMSS is best aligned with each and every individual participants particular circumstances, during Autumn 2022 the Financial Investment Board, Finance Committee and Bridge House Estates Board (now City Bridge Foundation) all agreed to amend the TMSS with effect from 1 April 2022, and this was ratified by the Court of Common Council in December 2022. This amendment was to bifurcate the Annual Investment Strategy within the TMSS into two strategies: one for City Fund which includes exposure to the full range of investments (both *specified* and *non-specified*<sup>2</sup> i.e. including the short-dated bond funds) permitted in the current TMSS and a second strategy for others which restricts exposure to *specified investments* only (i.e. excluding the short-dated bond funds).

### The Strategy for 2023/24

7. During 2023/24, against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the middle east, UK interest rates continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields.
8. Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for. The expectation within the Treasury Management Strategy Statement for 2023/24, based on the forecast from December 2022 when the Bank of England base rate was at 3.5%, was for an in-year increase up to 4.50%, with an expectation that the base rate would fall back to 4.00% by the end of 2023/24. However, stepped increases of 0.5% in February and 0.25% in March, May, June and August 2023 increased the base rate to an assumed peak of 5.25% where it remained until the end of the financial year in March 2024.
9. By January 2024 it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March

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<sup>1</sup> Following the general election on 4 July 2024, DLUHC has reverted to the Ministry of Housing, Communities and Local Government (MHCLG).

<sup>2</sup> **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments

**Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.

2024 that the next move in Bank Rate would be downwards. As at September 2024 the Bank of England base rate is 5.00%, following an initial cut of 0.25% on 1 August 2024, with the expectation for further cuts to base rate in 2024/25.

10. The upward sloping yield curve that prevailed throughout 2023/24 meant the continued challenge of pro-active investment of surplus cash, with the need to seek the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in investment rates as duration was extended, became an on-going feature of the investment landscape. In August 2023 the Corporation placed a small amount of the investment portfolio (£30m) in a 3-year fixed term deposit with an approved counterparty, to take advantage of the favourable and assumed peak in interest rates priced into the market, and to lock-in higher investment returns for longer while maintaining sufficient liquidity.
11. In Accordance with the 2023/24 TMSS, the City can place deposits up to a maximum of £25m with individual local authorities and an overall limit of £250m for outstanding lending to local authorities as a whole at any given time. In the latter part of 2023/24, the local authority to local authority market lacked any meaningful measure of depth, forcing short-term investment rates above those available in other markets. The Corporation placed 3 deposits totalling £50m with local authorities in this period. Although the overall credit standing of the local authority sector is considered high, officers performed additional due diligence on individual prospective local authority borrowers prior to entering into any lending.
12. The Corporation’s creditworthiness policy was designed to prioritise the security of the Corporation’s assets whilst also enabling diversification of risk amongst a range of high-quality counterparties. The creditworthiness criteria set out in the original strategy was maintained throughout the year. During the year, a new counterparty was onboarded, United Overseas Bank (UOB), and has been added as an approved counterparty in the Treasury Management Strategy Statement for 2024/25. The inclusion of UOB as an approved counterparty did not change the overall average credit rating of the short-term investment portfolio but allowed the Corporation to further diversify counterparty risk further and reduce reliance on existing counterparties.
13. The Corporation maintained sufficient liquidity through the selective use of highly liquid money market funds, cash flow forecasting, and active management of the portfolio’s maturity profile.
14. The treasury management function complied with the parameters established in the 2023/24 TMSS for the entirety of the reporting period and the City’s treasury cash continues to be invested in a diversified balanced portfolio commensurate with proper and prioritised levels of security and liquidity.
15. The 2023/24 TMSS also included a number of prudential and treasury indicators for the year which are shown in Appendix 1. The City complied with all indicators in 2023/24.

### **The Borrowing Requirement and Debt**

16. The Corporation did not anticipate (but did not rule out) undertaking any new external borrowing during 2023/24 and instead intended to temporarily use cash balances to support capital expenditure as an interim measure. This policy of internal borrowing was prudent as long-term borrowing costs are expected to fall back through 2024 and 2025 as inflation concerns are dampened.
17. The majority of local authority borrowing is undertaken via the Public Works Loan Board (PWLB), a government agency. PWLB loans are priced on the basis of

prevailing gilt yields plus a margin. As previously reported, the Government increased the margin from its long term position of 80 basis points to 180 basis points in 2019/20 and simultaneously announced a review of the future lending arrangements of the PWLB. These measures were prompted by concerns within Government over the use of PWLB loans to fund commercial investments for yield. On 25 November 2020, the Chancellor announced the conclusion to the review and reversed the earlier 100 basis point increase to the margins whilst simultaneously introducing a prohibition to deny access to borrowing from the PWLB for any local authority which planned to purchase assets for yield in its three-year capital programme.

18. The PWLB guidance was updated on 15 June 2023, in particular publishing a new Housing Revenue Account (HRA) rate, at 40 basis points above prevailing gilts, available from 15 June 2023 for 1 year, with its continuation subject to review. This rate is solely intended for use by HRA and primarily for new housing delivery. Furthermore, the guidance, in line with the Prudential Code, reinforced that local authorities will “...*only borrow the amount needed to finance capital expenditure and not borrow extra amounts purely to invest and make a financial return*” (previously noted purely for yield). Following the Autumn Statement, the availability of this rate has been extended to the end of June 2025.
19. No external borrowing was undertaken by the City Fund during the 2023/24 financial year, and actual capital expenditure in that year (£168m) was lower than anticipated in the 2023/24 TMSS (£444m). The City Fund’s capital financing requirement is expected to increase in the next few years as a result of the planned capital expenditure and it is likely that at least a portion of this borrowing need will be met through internal borrowing. This strategy remains prudent in the current interest rate environment given the City Fund’s cash balances. However, the Chamberlain will continue to monitor the outlook for interest rates to ensure the borrowing strategy remains appropriate.
20. City’s Cash did not issue any new debt during the year having obtained market debt of £450m in 2019/20.
21. City Bridge Foundation did not enter into any borrowing during the year.

#### **Investment Outturn for 2023/24**

22. **Investment Policy** – the City’s investment policy is governed by DLUHC<sup>3</sup> guidance on Local Government Investments and the CIPFA Treasury Management Code which has been implemented in the Annual Investment Strategy approved by the Court of Common Council on 9 March 2023. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).
23. The amendment to bifurcate the Annual Investment Strategy within the TMSS into two strategies (see paragraph 6): one for City Fund which includes exposure to the full range of investments (both *specified* and *non-specified* i.e. including the short-dated bond funds) and a second strategy for others which restricts exposure to *specified investments* only (i.e. excluding the short-dated bond funds), has resulted in two income yields for 2023/24, one for City Fund and one for all other funds.

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<sup>3</sup> Following the general election on 4 July 2024, DLUHC has reverted to the Ministry of Housing, Communities and Local Government (MHCLG).

24. The income yield on short term investments for 2023/24 was 4.82% for City Fund and 4.29% for all other funds. (2022/23: 2.13% for City Fund and 1.83% across all other funds). The increase in income reflects higher returns available from the money markets in 2023/24, largely as a result of the continued tightening of monetary policy in place for the early part of the reporting period.
25. Aside from interest earned on deposits, the portfolio is also exposed to gains and losses on the market value of the Corporation's short-dated and ultra-short-dated bond funds, which are held at fair value. Each of these investments, and in particular the short-dated bond funds which have the highest interest rate sensitivity, appreciated in value over the course of the year as interest rates plateaued (bond prices have an inverse relationship with interest rates).
26. Throughout most of 2023 bond prices weakened amid concerns that major central banks would keep increasing interest rates in order to quell inflation. This sentiment changed in November 2023, with growing optimism that inflation was cooling and interest rates would be lowered, and hence investors piled into bonds which drove up prices and triggered a powerfully rally at the end of 2023. However, in a partial reversal of the positive performance experienced over the final quarter of 2023, bond yields rose in Q1 2024 (meaning prices fell) as the likelihood of interest rate cuts as soon as March were pushed out until later in the year. Despite this, the capital value of the portfolio's short-dated bond fund investments produced a positive return of +0.29% for the year (2022/23: a negative return of -0.79%). As in 2022/23, these movements are debited as an unrealised gain on investments, which is accordance with the IFRS9 current mandatory statutory override (paragraph 5), are reversed and not taken through City Fund.
27. Previously, interest generated from short-dated bond funds was automatically reinvested, either by accumulating more shares or by increasing the price of the shares already held. Since the start of the reporting period, officers have instructed for interest from these investments to be distributed with the initial quarterly distribution received in December 2023. In the 7-month period ended 31 March 2024 the interest distributed from these funds totalled £3.2m.
28. The investment activity during the year conformed to the approved strategy, and the City of London had no liquidity difficulties.

## **Conclusion**

29. Treasury management activities over the past financial year were carried out in accordance with the 2023/24 TMSS, which remained unchanged over the course of the year.
30. Money market investment returns, which are heavily determined by central bank activity, have increased as the base rate increased throughout the start of 2023/24 reaching a peak of 5.25% in August 2023. The bank rate is currently 5.00% and rates are forecast to decrease further over the rest of 2024 and 2025, with an expectation of a decrease to 4.50% by the end of 2024 and 3.00% by the end of 2025.

## **Appendices**

Appendix 1 – Treasury Indicators

**Adam Buckley**

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Treasury Indicators

<b>TABLE 1: TREASURY MANAGEMENT INDICATORS</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2023/24</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Actual</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
<b>Authorised Limit for external debt (City Fund)-</b>			
Borrowing	£0	£0	£0
other long-term liabilities	£12.8	£12.7	£12.7
TOTAL	£12.8	£12.7	£12.7
<b>Operational Boundary for external debt (City Fund) -</b>			
Borrowing	£0	£0	£0
other long-term liabilities	£12.8	£12.7	£12.7
TOTAL	£12.8	£12.7	£12.7
<b>Actual external debt</b>	£0	£0	£0
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)	£300.0	£300.0	£30.0

<b>TABLE 2: Maturity structure of fixed rate borrowing during 2023/24</b>	<b>upper limit</b>	<b>lower limit</b>
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

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