



Board of Governors of the City of London School

Date: WEDNESDAY, 18 OCTOBER 2017

Time: 11.00 am

Venue: CITY OF LONDON SCHOOL, QUEEN VICTORIA STREET, EC4V 3AL

Members:

Ian Seaton (Chairman)	Alderman & Sheriff Vincent Keaveny
Deputy James Thomson (Deputy Chairman)	Ronel Lehmann (External Member)
Alexander Barr	Tim Levene
Deputy Keith Bottomley	Lord Levene of Portsoken (External Member)
Deputy Roger Chadwick (Ex-Officio Member)	Deputy Edward Lord
Dominic Christian	Christopher Martin (External Member)
Marianne Fredericks	Sylvia Moys
Caroline Haines	Dame Mary Richardson (External Member)
Deputy Clare James (Ex-Officio Member)	Prof. Michael Whitehouse (External Member)

Enquiries: Alistair MacLellan / alistair.maclellan@cityoflondon.gov.uk

Lunch will be served at the conclusion of the meeting.

N.B. Some of this meeting may be subject to audio-visual recording.

**John Barradell
Town Clerk and Chief Executive**

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and summary of the meetings held on 15 June 2017 and 21 June 2017.

For Decision
(Pages 1 - 8)
4. **DRAFT NOTE OF THE INQUORATE MEETING OF THE FINANCE & ESTATES SUB COMMITTEE MEETING - 2 OCTOBER 2017**
To receive the draft note of the inquorate meeting of the Finance & Estates Sub Committee meeting held on 2 October 2017.

For Information
(Pages 9 - 12)
5. **DRAFT MINUTES OF THE ACADEMIC & EDUCATION SUB-COMMITTEE MEETING - 2 OCTOBER 2017**
To receive the draft minutes of the Academic & Education Sub-Committee meeting held on 2 October 2017.

For Information
(Pages 13 - 14)
6. **APPOINTMENT OF SUB-COMMITTEES**
Report of the Town Clerk.

For Decision
(Pages 15 - 20)
7. **RISK REGISTER 2016 -17 FOR: THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND AND THE CITY OF LONDON SCHOOL EDUCATION TRUST**
Joint Report of the Chamberlain and the Bursar.

For Decision
(Pages 21 - 30)

8. **REVENUE OUTTURN 2016/17**
Joint Report of the Chamberlain and the Head.

For Information
(Pages 31 - 44)

9. **THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND - ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**
Report of the Chamberlain.

For Information
(Pages 45 - 68)

10. **CITY OF LONDON SCHOOL EDUCATION TRUST - 2016/17 ANNUAL REPORT AND FINANCIAL STATEMENTS**
Report of the Chamberlain.

For Information
(Pages 69 - 84)

11. **HEAD'S REPORT**
Report of the Head of the City of London School.

For Decision

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

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

14. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

15. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 15 June 2017 and 21 June 2017.

For Decision
(Pages 85 - 92)

16. **DRAFT NOTE OF THE INQUORATE MEETING OF THE FINANCE & ESTATES SUB-COMMITTEE - 2 OCTOBER 2017**
To receive the draft note of the inquorate meeting of the Finance & Estates Sub-Committee held on 2 October 2017.
- For Information**
(Pages 93 - 94)
17. **DRAFT MINUTES OF THE ACADEMIC & EDUCATION SUB-COMMITTEE - 2 OCTOBER 2017**
To receive the draft minutes of the Academic & Education Sub-Committee meeting held on 2 October 2017.
- For Information**
(Pages 95 - 98)
18. **SUMMER WORKS 2017**
Report of the Head.
- For Information**
(Pages 99 - 102)
19. **CITY OF LONDON SCHOOL - MODULAR BUILDINGS AT GROVE PARK**
Report of the City Surveyor.
- For Decision**
(Pages 103 - 128)
20. **HEAD'S NON-PUBLIC REPORT**
Report of the Head.
- For Decision**
(Pages 129 - 140)
- a) Appendix 1 - Sabbatical Application - Matt Kerr (Pages 141 - 178)
 - b) Appendix 2 - Sabbatical Application - Ollie Davies (Pages 179 - 198)
 - c) Appendix 3 - Branding and Marketing - Proposed Letterhead (Pages 199 - 202)
 - d) Appendix 4 - Educational Visits Policy (Pages 203 - 214)
 - e) Appendix 5 - Health & Safety Policy (Pages 215 - 244)
 - f) Appendix 6 - Security Policy (Pages 245 - 264)
 - g) Appendix 7 - Minibus and School Vehicles Policy (Pages 265 - 274)

21. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

22. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

23. **CONFIDENTIAL ITEM - LETTER TO CHAIRMAN OF THE BOARD FROM THE COMMON ROOM**
To consider a request of the Common Room.

For Decision

This page is intentionally left blank

BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL Thursday, 15 June 2017

Minutes of the meeting of the Board of Governors of the City of London School held at City of London School, Queen Victoria Street, EC4V 3AL on Thursday, 15 June 2017 at 11.00 am

Present

Members:

Alexander Barr	Tim Levene
Deputy Keith Bottomley	Lord Levene of Portsoken (External Member)
Marianne Fredericks	Deputy Edward Lord
Caroline Haines	Christopher Martin (External Member)
Alderman Vincent Keaveny	Sylvia Moys
Ronel Lehmann (External Member)	Dame Mary Richardson (External Member)
	Ian Seaton
	Deputy James Thomson

Officers:

Alistair MacLellan	- Town Clerk's Department
Chrissie Morgan	- Director of Human Resources
Amanda Mays	- Asst Director HR + Transformation
Kate Smith	- Town Clerk's Department
Neil Davies	- Town Clerk's Department
Steven Reynolds	- Chamberlain's Department
Sarah Fletcher	- Head, City of London School
Charles Griffiths	- Bursar, City of London School
Dr Richard Brookes	- Senior Deputy Head

1. APOLOGIES

Apologies were received from Deputy Roger Chadwick, Dominic Christian, Deputy Clare James and Professor Michael Whitehouse.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. ORDER OF THE COURT OF COMMON COUNCIL

An Order of the Court of Common Council dated 27 April 2017 appointing the Board of Governors for the ensuing year was received.

4. ELECTION OF CHAIRMAN

An election was conducted in line with Standing Order 29. Ian Seaton, being the only Governor wishing to serve, was elected Chairman for the ensuing year.

The Chairman thanked his fellow Governors for their support. He added his welcome to Governors who had recently joined the Board, and emphasised the

commitment required from a Governor of one of the City Schools, namely the requirement to be familiar with safeguarding issues and to undergo a Disclosure and Barring Service (DBS) check.

The Chairman noted that this was the Head's last meeting prior to moving on to her new role, and that a Farewell Dinner would be held on 22 June 2017 at the School.

A Governor noted with regret the passing of Alderman Sir Paul Judge.

5. **ELECTION OF DEPUTY CHAIRMAN**

An election was conducted in line with Standing Order 30. Deputy James Thomson, being the only Governor willing to serve, was elected Deputy Chairman for the ensuing year.

6. **MINUTES**

The minutes of the meeting held on 14 February 2017 were approved as a correct record.

7. **DRAFT CORPORATE PLAN 2018-23**

Governors considered a report of the Town Clerk regarding the draft Corporate Plan 2018-2023 and the following points were made.

- The Chairman suggested that the theme 'Place' be made plural to reflect the City's role outside of the Square Mile.
- The Town Clerk clarified that outcome was equivalent to impact, and output was equivalent to measurables.

8. **CASH AVAILABLE IN THE SCHOOL'S CHARITY: THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Governors considered a report of the Chamberlain regarding Cash available in the School's Charity: The City of London School Bursary Fund incorporating the City of London School Scholarships and Prizes Fund. In response to a question, the Chamberlain replied that the investments were mainly in equities. Governors were invited to submit their responses to the questionnaire regarding the charity outside of the meeting.

RESOLVED, that

- Governors agree to invest £95,526 in the City of London Charities Pool on 1 October 2017; and
- That the next review of the operating cash balance be presented to the June 2018 Board meeting.

9. **HEAD'S REPORT**

Governors received a report of the Head of the City of London School and the following points were made.

Independent Schools Inspectorate (ISI) Inspection

- The Head was heard regarding the recent Independent Schools Inspectorate (ISI) inspection. She noted that the result was an affirmation of the work undertaken within the School, and the excellence recognised in the report meant there were no substantive recommendations for improvement. The next inspection, in three years' time, would likely be education focused.
- The Chairman noted that there would be a report at a future Board meeting on how any areas for improvement identified by the inspection would be addressed. He added his thanks to Christopher Martin for attending the ISI inspection.

Outreach

- The Head drew attention to the work the School was undertaking on Outreach and Partnerships, including work with the City of London academies and the voluntary work of over 80 boys across London.
- The Chairman noted that the outreach and partnership work was very promising and that City Governors should ensure they highlighted it with colleagues at Guildhall.

Pastoral

- In response to a question from a Governor regarding the establishment of a LGBT Society within the School, the Head replied that gender issues were an increasingly important topic within the school community and the establishment of the society was a 'first' for the School. Governors welcomed the establishment of the Society and noted their wholehearted support for the initiative.
- In response to a question from a Governor regarding staff wellbeing, the Head replied that the Head of Common Room was aware of both School and City of London processes over welfare. The Director of Human Resources added that the City of London provided mental health first aid training, pop up health checks and advice on healthy eating.

Ransomware

- The Head drew Governors' attention to advice given to staff following the recent Ransomware incident.

9.1 Appendix 1 - ISI Inspection Report

Governors received a public report on the Independent Schools Inspectorate Regulatory Compliance Inspection.

9.2 Appendix 2 - Strategic Plan 2016/17 Summary

The Head provided Governors with a oral update on the 2016/17 Strategic Plan.

9.3 Appendix 3 - Digital Strategy Report

Governors received a summary of advice given to staff following the recent Ransomware incident.

10. APPOINTMENT OF AGBIS REPRESENTATIVE

Edward Lord was appointed AGBIS Governor for 2017/18.

11. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

Appointment of Sub Committees

Governors affirmed the following sub committees and noted each would have the opportunity to review its terms of reference at its first meeting.

Governance

Chairman and Deputy Chairman of the Board
Alderman Vincent Keaveny
Lord Levene of Portsoken
Deputy Edward Lord

Academic and Education

Christopher Martin (to be Chairman)
Chairman and Deputy Chairman of the Board
Dame Mary Richardson
Caroline Haines

Finance and Estates

Chairman and Deputy Chairman of the Board
Keith Bottomley
Deputy Edward Lord
Alex Barr

Careers LINK Governor

Ronel Lehmann was appointed Careers LINK Governor. The Board noted it would receive a presentation on careers at its meeting in the Autumn term.

13. EXCLUSION OF THE PUBLIC

RESOLVED, that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

14. **NON-PUBLIC MINUTES**

The non- public minutes of the meeting held on 14 February 2017 were approved as a correct record.

15. **TEACHER'S PAY PANEL - UPDATE**

Governors agreed to vary the order of items on the agenda so that confidential Item 20 – Teachers' Pay Panel, was considered next.

All staff except the Town Clerk, Director of Human Resources and the Assistant Director HR and Transformation left the room.

Governors considered a confidential report of the Director of Human Resources on the Teachers' Pay Panel.

16. **RECRUITMENT OF HEAD**

Governors agreed to vary the order of items on the agenda so that Item 16 – Recruitment of Head was considered next.

All staff except the Town Clerk, Director of Human Resources and the Assistant Director HR and Transformation remained outside of the room.

The Director of Human Resources was heard regarding the recruitment of the Head.

17. **HEAD'S REPORT**

At this point of the meeting, two hours having been reached since the start of the meeting, Governors agreed to terminate the meeting and defer items remaining on the agenda until the next meeting.

The next meeting not being until the Autumn Term, Governors agreed to reconvene on 21 June 2017 at 5.30pm at the School, and that notice be given of that meeting accordingly.

17.1 **Appendix 1 - ISI Inspection Feedback [Head's Summary]**

This item was deferred.

17.2 **Appendix 2 - City of London School Admissions Policy**

This item was deferred.

17.3 **Appendix 3 - Development Office Report**

This item was deferred.

17.4 **Appendix 4 - Sabbatical Applications**

This item was deferred.

17.5 **Appendix 5 - Overseas Franchising**

This item was deferred.

18. REPORT ON ACTION TAKEN SINCE THE LAST MEETING

This item was deferred.

19. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

This item was deferred.

20. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

This item was deferred.

The meeting ended at 1.00 pm

Chairman

Contact Officer: Alistair MacLellan / alistair.maclellan@cityoflondon.gov.uk

BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL
Wednesday, 21 June 2017

Minutes of the meeting of the Board of Governors of the City of London School held at City of London School, Queen Victoria Street, EC4V 3AL on Wednesday, 21 June 2017 at 5.30 pm

Present

Members:

Ian Seaton (Chairman)	Ronel Lehmann (External Member)
Deputy James Thomson (Deputy Chairman)	Tim Levene
Alexander Barr	Lord Levene of Portsoken (External Member)
Deputy Keith Bottomley	Deputy Edward Lord
Marianne Fredericks	Sylvia Moys
Alderman Vincent Keaveny	Dame Mary Richardson (External Member)

Officers:

Alistair MacLellan	- Town Clerk's Department
Steven Reynolds	- Chamberlain's Department
Sarah Fletcher	- Head, City of London School
Charles Griffiths	- Bursar, City of London School
Dr Richard Brookes	- Senior Deputy Head

1. APOLOGIES

Apologies were received from Deputy Roger Chadwick, Dominic Christian, Caroline Haines, Deputy Clare James, Christopher Martin and Professor Michael Whitehouse.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

4. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

Vote of Thanks to Sarah Fletcher

RESOLVED, that the Governors would like to express their deep appreciation and thanks to Sarah Fletcher, Head of the City of London School since April 2014, for her record of achievement. She has, over that short time, transformed the School. In particular the Governors would like to record the raising of academic standards (including the largest number of offers from Oxbridge in January 2017 in the history of the School), the very necessary, timely and vast improvement to the facilities, procedures and policies of the School which were confirmed in the recent Independent Schools Inspectorate report and the overall climate of change which she has brought about. She leaves with the very best wishes of the Board of Governors.

5. **EXCLUSION OF THE PUBLIC**

RESOLVED, that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

6. **HEAD'S REPORT**

Governors considered a report of the Head of the City of London School.

6.1 **Appendix 1 - ISI Inspection Feedback [Head's Summary]**

Governors considered the Head's Summary of the ISI Inspection Feedback.

6.2 **Appendix 2 - City of London School Admissions Policy**

Governors considered the City of London School Admissions Policy.

6.3 **Appendix 3 - Development Office Report**

Governors considered the Development Office report and a proposal for donor recognition.

6.4 **Appendix 4 - Sabbatical Applications**

Governors considered a number of sabbatical applications.

6.5 **Appendix 5 - Overseas Franchising**

Governors considered the issue of overseas franchising.

7. **REPORT ON ACTION TAKEN SINCE THE LAST MEETING**

Governors received a report of the Town Clerk on action taken since the last meeting.

8. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There was one question regarding the operational relationship between the City of London Corporation and the City of London School.

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Chairman was heard regarding the Annual Dinner of the Board of Governors of the City of London School.

The meeting ended at 7.05 pm

Chairman

Contact Officer: Alistair MacLellan / alistair.maclellan@cityoflondon.gov.uk

FINANCE & ESTATES SUB-COMMITTEE OF THE BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL

Monday, 2 October 2017

Note of the inquorate meeting of the Finance & Estates Sub-Committee of the Board of Governors of the City of London School held at the Guildhall EC2 at 10.00 am

Present

Members:

Ian Seaton (Chairman)

Alexander Barr

Officers:

Richard M. Brookes	-	Acting Head
Andrew McBroom	-	Senior Deputy Head
Charles Griffiths	-	Bursar
Alistair MacLellan	-	Town Clerk's Department
Sarah Port	-	Chamberlain's Department

1. APOLOGIES

Apologies were received from Deputy James Thomson, Deputy Keith Bottomley and Deputy Edward Lord.

The Clerk noted that the meeting was inquorate. Governors present agreed to discuss the items on the agenda and to submit a note to the next scheduled meeting of the Sub Committee.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. TERMS OF REFERENCE

The terms of reference of the sub committee were received. In response to a comment from the Acting Head, Governors agreed that the Board of Governors should consider appoint a Governor other than the Chairman of the Board as Chairman of the sub committee, to follow AGBIS guidelines more effectively.

RECEIVED

4. MINUTES

Governors noted the minutes of the meeting held on 15 November 2016 and the fact that they would be submitted to the next scheduled meeting of their sub committee for approval.

Matters Arising Meeting Dates

In response to a comment from the Acting Head, the Town Clerk agreed to review whether a meeting of the Board could be scheduled during the period April-June 2018.

Potential Co-Opted Members of the Board of Governors

A Governor noted that over the past year three candidates for co-opted Governor had been considered for the Board but that none had gone forward for appointment. He noted that the Board during that time had been joined by a number of Common Council Governors with financial expertise which had added to the skills already available to the Board.

5. REVENUE OUTTURN 2016/17

Governors noted a joint report of the Chamberlain and the Acting Head and the following points were made.

- The Chamberlain agreed to amend note (iii) within Table 1 of the report to include catering.
- A Governor noted that a percentage of savings made were retained by the City of London Corporation.
- In response to a request from the Bursar, the Chamberlain agreed to clarify to what extent the City of London Corporation 2% savings target applied to the City of London School.
- In response to comments from Governors, the Bursar agreed to amend terminology away from scholarships to bursaries where appropriate.
- In response to a request from a Governor, the Bursar agreed to provide net figures for items such as the School Bookshop in future reporting.
- The Acting Head noted that the £84,000 increase in employee expenses was largely due to staff cover for maternity leave and illness.
- In response to a question from a Governor, the Bursar agreed to clarify to what extent the School was covered by insurance from the City of London Corporation.

RECEIVED

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

8. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 15 November 2016 were received. Governors noted that they would be submitted to the next scheduled meeting of the sub committee for approval.

RECEIVED

9. **SUMMER 2017 WORKS REPORT**

Governors received a report of the Acting Head regarding the Summer 2017 Works.

RECEIVED

10. **POLICIES FOR REVIEW**

Governors received a number of school policies.

10.1 **Health and Safety Policy**

Governors considered the Health and Safety Policy.

10.2 **Minibus and School Vehicle Policy**

Governors considered the Minibus and School Vehicle Policy.

10.3 **Security Policy**

Governors considered the Security Policy.

11. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no non-public questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

The meeting closed at 10.50am.

Chairman

Contact Officer: Alistair MacLellan / Alistair.maclellan@cityoflondon.gov.uk

This page is intentionally left blank

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no questions.

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

There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED, that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

8. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 15 November 2016 were approved as a correct record.

9. **SCHOOL ACADEMIC REPORT**

Governors considered a School Academic Report of the Head.

RECEIVED

10. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no non-public questions.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no non-public urgent items.

The meeting closed at 12.55 pm

Chairman

Contact Officer: Alistair MacLellan / alistair.maclellan@cityoflondon.gov.uk

Agenda Item 6

Committee: Board of Governors of the City of London School	Date: 18 October 2017
Subject: Appointment of Sub Committees 2017/18	Public
Report of: Town Clerk	For Decision
Report Author: Alistair MacLellan	

Summary

This paper outlines the terms of reference and composition of the Board's sub committees following their appointment at the June 2017 meeting of the Board of Governors.

Recommendation(s)

That Members,

- Note the membership of the sub committees of the Board of Governors.
- Note the terms of reference of each of the sub committees of the Board of Governors.
- Appoint a Chairman of the Finance and Estates Sub Committee.

Main Report

Background

1. The Board of Governors of the City of London School appointed to its three sub committees at its June 2017 meeting. This report confirms both the current membership of those sub committees, and their terms of reference.
2. Each of the three sub committees have been given the opportunity to review their terms of reference at their meetings in October 2017. Governors serving on the Academic and Education and the Finance and Estates sub committees have no comments to make on their terms of reference, except for the issue outlined in paragraph (7) of this report.
3. The Governance Sub Committee is not scheduled to meet until 18 October 2017 and therefore any observations Governors serving on that sub committee have regarding its terms of reference will be reported verbally to the Board of Governors for consideration.
4. Terms of reference of each of the sub committees are included as an appendix.

Governance Sub Committee

5. Membership of the Governance Sub Committee for 2017/18 is as follows.
 - Chairman of the Board
 - Deputy Chairman of the Board
 - Alderman Vincent Keaveny
 - Lord Levene of Portsoken
 - Deputy Edward Lord

Academic and Education Sub Committee

6. Membership of the Academic and Education Sub Committee for 2017/18 is as follows.
- Christopher Martin (Chairman)
 - Chairman of the Board
 - Deputy Chairman of the Board
 - Dame Mary Richardson
 - Caroline Haines

Finance and Estates Sub Committee

7. Membership of the Finance and Estates Sub Committee for 2017/18 is as follows.
- Chairman of the Board
 - Deputy Chairman of the Board
 - Keith Bottomley
 - Deputy Edward Lord
 - Alex Barr
8. At the 2 October 2017 meeting of the Finance and Estates Sub Committee, it was noted that AGBIS guidelines state that the Chairman of the Board should not act as Chairman of any Finance sub committee appointed by the Board. Governors are therefore invited to appoint a Chairman of the Finance and Estates Committee for 2017/18.

Alistair MacLellan

Town Clerk's Department

T: 020 7332 1416

E: alistair.maclellan@cityoflondon.gov.uk

Appendix

Governance Sub-Committee of the Board of Governors of the City of London School

The Committee's role is to source, interview and select the co-opted members of the Governing Board. It is also to advise on the skills needed on the Governing Board to assist in the selection of new Common Council Governors.

Composition

- The Chairman of the Committee shall be selected from amongst its members with the agreement of the Full Governing Board.
- Chairman and Deputy Chairman of the Board of Governors;
- Up to three other Governors appointed by the Board of Governors (one of whom must be a Common Council Governor).
- Meetings will be attended by the Head and the Bursar. Attendees do not have a vote.
- The Bursar will co-ordinate the work of the Committee.

Quorum

- The quorum shall be any three Governors.
- Any decision taken by the Committee shall require the agreement of the majority of Common Council Governors present at the meeting and voting.

The Committee has the power to act on the following matters:

- The Committee will maintain and annually update a skills audit of the Governing Board, identifying and noting gaps;
- The Committee will seek to identify individuals able to serve as co-opted Governors. Such individuals will be interviewed and elected to the Board as agreed by the majority of those present, including a majority of Common Council Governors present and voting.
- Such gaps as may occur should be used as guidance helping to assist in the selection of Common Council Governors;

Academic and Education Sub-Committee of the Board of Governors of the City of London School

The Academic and Education Sub-Committee has an important role in supporting the Head and Senior Management Team, ensuring that important curricular and pastoral issues are given appropriate discussion by the Board. To enable the Committee to fulfil this role it is expected that Governors appointed to the Committee would, with the Head's support, observe classes and meet with pupils from time to time. The Committee usually meets twice a year in sufficient time to report to the Board any matters that need agreement.

Composition

- The Chairman of the Committee shall be selected from amongst its members with the agreement of the Full Governing Board.
- Chairman and Deputy Chairman of the Board of Governors;
- Up to four other Governors appointed by the Board of Governors (one of whom must be a Common Council Governor).
- Meetings of the Committee will be attended by the Head and the Senior Deputy Head. The Assistant Heads Academic; Teaching and Learning and Outreach; Pastoral; and Co-curricular will attend as appropriate. Other members of staff and advisers may be invited by the Committee. Attendees do not have a vote.
- The Clerk to the Governors will be the Committee Secretary.

Quorum

- The quorum shall be any three Governors.
- Any decision taken by the Committee shall require the agreement of a majority of Common Council Governors present at the meeting and voting.
- The Committee should report to each Board of Governors' meeting.

Terms of Reference

The Committee has the power to act on the following matters:

- To agree requests for Sabbatical Leave; and
- To co-opt any Governor of the Board or any appropriately qualified professional to give advice on specific matters.

To make recommendations for the Board's approval on the following matters:

- The School's ethos and aims;
- The development, monitoring and review of policies relating to educational provision to ensure compliance with legal or good practice requirements;
- Curriculum, co-curricular and pastoral issues;
- Standards, including academic results;
- Pastoral policy and practice, including oversight of safeguarding and the single central register;
- INSET and Professional Development policy and practice;
- Staffing issues;
- Parental complaints procedures;
- Monitoring general compliance with child protection requirements (not involving individual cases);
- Making recommendations on any other issues referred by the full Board.

Finance and Estates Sub-Committee of the Board of Governors of the City of London School

The Committee primarily has a monitoring and advisory role, identifying any financial problems before they become serious and recommending a course of action to the Board, which would take any relevant decisions. The Committee usually meets once a term in sufficient time to report to the Board on any matters that need agreement.

Composition

- The Chairman of the Committee shall be selected from amongst its members with the agreement of the Full Governing Board.
- Chairman and Deputy Chairman of the Board of Governors;
- Up to four other Governors appointed by the Board of Governors (one of whom must be a Common Council Governor).
- Meetings of the Committee will be attended by the Head, the Senior Deputy Head, the Bursar and the Finance Manager. Other members of staff and advisers may be invited by the Committee. Attendees do not have a vote.
- The Clerk to the Governors will be the Committee Secretary.

Quorum

- The quorum shall be any three Governors.
- Any decision taken by the Committee shall require the agreement of a majority of Common Council Governors present at the meeting and voting.
- The Committee should report to each Board of Governors' meeting.

Terms of Reference

The Committee has the power to act on the following matters:

- To agree action to be taken on arrears of fees; and
- To co-opt any Governor of the Board or any appropriately qualified professional to give advice on specific matters.

To make recommendations for the Board's approval on the following matters:

- Adoption of strategic financial targets e.g. cash reserves, level of surplus, percentage of staff costs to gross fees etc;
- Advice on the creation of a five to ten year financial plan;
- The annual budget;
- Any proposed fee increases and additional charges;
- Consideration of any proposals for major capital spending, including development of facilities;
- The review of any investments and reserves held by the School;
- To make recommendations to the full Board on any other finance issues which may arise (e.g, a rise in employers' contribution to pensions, salary structure, etc.);
- Policy on and application of scholarships and bursaries;
- Fund raising policy and activity;
- Policy on and implementation of lettings and any other commercial activity.

Committee Board of Governors of the City of London School	Date: Wednesday, 18 October 2017
Subject: Risk Register 2016 -17 for: The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust	Public
Report of: The Chamberlain and The Bursar of The City of London School	For Decision
Report author: Steven Reynolds, Chamberlain's Department.	

Summary

This report provides a key risks register at Appendix 2 for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and, at Appendix 3, a key risks register for The City of London School Education Trust, both for review by Members on behalf of the trustee (the City of London Corporation), to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks.

Currently, the risk register for the Bursary Fund contains seven risks, of which six are assessed as 'green' with scores from 1 to 4 (on a risk scale from 1 to the highest risk score of 32) and one which is 'amber' with a score of 12. The register for the Education trust contains four risks, all of which are assessed as 'green' with scores from 1 to 4. Currently, there are no 'red' risks on either register. No new risks have been identified, and the risk scores remain unchanged to those presented to this Board last year.

Recommendations

Members are asked to review the two risk registers to confirm that they satisfactorily sets out the risks facing the School's two charities and that appropriate measures are in place to mitigate those risks.

Main Report

Background

1. This report provides a key risks register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust administered by the Board of Governors of the City of London School on behalf of the trustee (the City of London Corporation).
2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report.
5. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund is set out in Appendix 2. This contains seven risks as summarised below:
 1. Income from investments may decline – overall risk score of amber (12);
 2. Awards may not comply with objectives – overall risk score of green (1);
 3. Applicants do not disclose full details – overall risk score of green (3);
 4. Insufficient beneficiaries – overall risk score of green (4);
 5. Charity lacks direction, strategy, and forward planning – overall green (4);
 6. Conflicts of interest – overall risk score of green (1); and
 7. Loss of staff – overall risk score of green (3).

Mitigation of amber risks

Risk 1 is mitigated through investments being managed by a professional fund manager, whose performance is monitored by the Chamberlain and Financial Investment Board. All current measures are being taken and nothing further can be done (at this time) to mitigate the risk.

6. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Education Trust is set out in Appendix 2. This contains four risks as summarised below:
 1. Awards may not comply with objectives – overall risk score of green (1);

2. Charity lacks direction, strategy, and forward planning – overall green (4);
3. Conflicts of interest – overall risk score of green (1); and
4. Loss of staff – overall risk score of green (3).

7. Each risk has been considered by the responsible officer within the Corporation who is referred to as the 'Risk Owner' in each register.
8. No new risks have been identified, and the risk scores remain unchanged to those presented to this Board last year.

Conclusion

9. The various risks faced by the two charities have been reviewed and Members are asked to confirm that the attached registers satisfactorily set out the key risks together with their potential impact and that appropriate measures are in place to mitigate the risks identified.

Appendices

- Appendix 1 - City of London Corporation Risk Matrix
- Appendix 2 - Charity Risk Register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund
- Appendix 3 – Charity Risk Register for The City of London School Education Trust

Contacts:

Charles Griffiths

Bursar, The City of London School

T: 020 3680 6403

E: charles.griffiths@cityoflondonschool.org.uk

Steven Reynolds

Group Accountant, Chamberlain's Department

T: 020 7332 1382

E: steven.reynolds@cityoflondon.gov.uk

This page is intentionally left blank



City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

This page is intentionally left blank

The CoL School Bursary Fund Incorporating The CoL School Scholarships and Prizes Funds - Risk Register to be considered by the Board of Governors CLS

Risk No.	Risk (Short description)	Risk Owner	Committee	Existing Controls	Current Risk				Planned Actions	Target Risk		
					Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	The income from investments in the Charities Pool may decline	Chamberlain	Board of Governors of the CLS	Funds are managed by professional fund manager. Monitoring of fund manager's performance by Chamberlain/ Financial Investment Board.	Possible	Major	Amber 12	↔	Continue existing controls	Possible	Major	Amber 12
2	Grants/awards/loans may be given for purposes not complying with charity's objectives	Head of CLS	Board of Governors of the CLS	Trustees have their objectives before them when agreeing grants. Ensure awards are only given for stated purposes.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
3	Applicants for financial assistance do not disclose full details of their circumstances	Head of CLS	Board of Governors of the CLS	Applicants are required to complete and sign application form and provide supporting evidence. Officers follow up obvious discrepancies when assessing the application. Ensure scrutiny is rigorous, Bursar conducts a face to face meeting with all applicants for support from the funds to judge need.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
4	Insufficient beneficiaries complying with the objects of the Trust	Head of CLS	Board of Governors of the CLS	Advertising, actively looking for beneficiaries. Where possible investigate appropriateness of widening purpose of Trust to increase pool of potential donors.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
5	The Charity lacks direction, strategy and forward planning	Head of CLS	Board of Governors of the CLS	A strategic plan which sets out the key aims, objectives and policies, financial plans and budgets. Monitoring of financial and operational performance.	Rare	Major	Green 4	↔	Continue existing controls	Rare	Major	Green 4
6	Conflicts of interest	Head of CLS	Board of Governors of the CLS	Understanding of trust law. Protocol for disclosure of potential conflict of interest.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
7	Loss of staff	Head of CLS	Board of Governors of the CLS	Documentation of systems, plans and projects. Training programmes.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3

This page is intentionally left blank

The City of London School Education Trust - Risk Register to be considered by the Board of Governors of the City of London School

Risk No.	Risk (Short description)	Risk Owner	Committee	Existing Controls	Current Risk				Planned Actions	Target Risk		
					Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Grants/awards/loans may be given for purposes not complying with charity's objectives	Head of CLS	Board of Governors of the CLS	Trustees have their objectives before them when agreeing grants. Ensure awards are only given for stated purposes.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
2	The Charity lacks direction, strategy and forward planning	Head of CLS	Board of Governors of the CLS	A strategic plan which sets out the key aims, objectives and policies, financial plans and budgets. Monitoring of financial and operational performance.	Rare	Major	Green 4	↔	Continue existing controls	Rare	Major	Green 4
3	Conflicts of interest	Head of CLS	Board of Governors of the CLS	Understanding of trust law. Protocol for disclosure of potential conflict of interest.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
4	Loss of staff	Head of CLS	Board of Governors of the CLS	Documentation of systems, plans and projects. Training programmes.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3

This page is intentionally left blank

Agenda Item 8

Committee(s):	Date(s):	Item no.
Board of Governors of the City of London School	Wednesday, 18 October 2017	
Subject: Revenue Outturn 2016/17		Public
Report of: The Chamberlain The Head		For Information

Summary.

The net income for 2016/17, before transfers to reserves, was £1,462,000 compared to a budgeted position of £1,458,000 - representing an increase in net income of £4,000 (0.3%) as shown in the table below.

	Budget 2016/17 £'000	Actual 2016/17 £'000	Variation Better/ (Worse) 2016/17 £'000	Variance explanatio n at report paragraph
Income	16,910	17,044	134	4i) - 4ii)
Expenditure	(15,452)	(15,582)	(130)	4iii) -4v)
Total net income BEFORE transfers	1,458	1,462	4	
Transfers to reserves				
- Boys Own Scholarships	-	-	-	
- Repairs & Maintenance	(951)	(951)	-	
- Information Technology	(189)	(189)	-	
- Retirement	(32)	(32)	-	
- Organ Replacement	(10)	(10)	-	
- Grove Park Sports Reserve	(10)	(10)	-	
- Capital Reserve	(259)	(263)	(4)	
Total transfers	(1,451)	(1,455)	(4)	
Total net income AFTER transfers	7	7	-	
General Fund Bal. b/fwd 1 April	600	600	-	
General Fund Bal. c/fwd 31 March	607	607	-	

The 2002 funding guidelines report recommended that the School's General Reserve Balance should not exceed 5% of the original estimate of fee income, equating to £684,000 for 2016/17, with any excess transferred to the Capital Reserve Fund. In light of recent capital works at the School and the aim of restoring the Capital Reserve Fund to its historic level of £1.5m, a transfer of £259,000 to the Capital Reserve Fund was budgeted in 2016/17, thereby resulting in a General Reserve Balance of £607,000, £77,000 below the maximum recommended. The additional net income of £4k as shown in the above table has also been transferred to the Capital Reserve Fund in order to help restore its historic balance.

Following the total transfer of £263,000, and after taking account of the planned expenditure funded from the reserve during the year, the balance in the Capital Reserve Fund as at 31 March 2017 was £302,022 (2015/16: £925,851).

Total School funds, including the Capital Reserve Fund, as at 31 March 2017 amounted to £2,396,914 as detailed in Annex C (£3,513,064 as at 31 March 2016), which represents a decrease of £1,116,150 as detailed at paragraph 5 to this report.

Recommendations

It is recommended that this revenue outturn report for 2016/17 is noted.

Main Report

2016/17 Revenue Budget Position compared to Outturn

1. Overall, net income before transfers for 2016/17 was £1,462,000 compared to an agreed net income budget of £1,458,000, representing an increase in net income of £4,000. Table 1 provides a comparison between the budget and outturn. Figures in brackets represent expenditure, increases in expenditure, or reductions in income.

TABLE 1			
CITY OF LONDON SCHOOL			
Analysis of Service Expenditure	Budget	Actual	Variation Better/ (Worse)
	2016/17 £'000	2016/17 £'000	2016/17 £'000
INCOME			
School tuition fees	14,238	14,247	9
School Meals	421	442	21
Bookshop	145	148	3
Music tuition fees	192	212	20
Registration fees	164	203	39
Examination fees	136	102	(34)
Other (note i)	31	129	98
City Support (Annex A)	1,583	1,561	(22)
Total Income	16,910	17,044	134
EXPENDITURE			
Employees	(9,962)	(10,046)	(84)
Premises Related Expenses (note ii)	(994)	(928)	66
Transport Related Expenses	(212)	(195)	17
Supplies & Services (note iii)	(2,404)	(2,558)	(154)
Staff and Sibling Subsidy	(21)	(23)	(2)
Scholarship Subvention Awards	(738)	(738)	-
Match Funding Awards	(354)	(356)	(2)
Support Services (Annex A)	(621)	(592)	29
Capital Charges - Depreciation (Annex A)	(146)	(146)	-
Total Expenditure before transfers	(15,452)	(15,582)	(130)
TOTAL NET INCOME BEFORE TRANSFERS	1,458	1,462	4
TRANSFERS TO RESERVES			
Boys Own Scholarships	-	-	-
Repairs & Maintenance	(951)	(951)	-
Information Technology	(189)	(189)	-
Retirement	(32)	(32)	-
Organ Replacement	(10)	(10)	-
Grove Park Sports Reserve	(10)	(10)	-
Capital Reserve Fund	(259)	(263)	(4)
Total Transfers	(1,451)	(1,455)	(4)
TOTAL NET INCOME AFTER TRANSFERS	7	7	-
General Fund Bal. b/fwd 1 April	600	600	-
General Fund Bal. c/fwd 31 March	607	607	-

Notes

- (i) Other income – includes income from retained deposits; facilities hire and interest earned.
- (ii) Premises Related Expenses - includes energy costs, rates, water services, cleaning and domestic supplies.
- (iii) Supplies and Services - includes catering, equipment, furniture, materials, books, uniforms, printing, stationary, professional fees, grants & subscriptions, and advertising.

2. The 2002 funding guidelines report recommended that the General Reserve balance should not exceed 5% of the original estimate of fee income, equating to £684,000 for 2016/17, with any excess transferred to the Capital Reserve Fund. However, due to the School's anticipated future capital requirements the budget assumed a transfer to the Capital Reserve Fund of £259,000, resulting in a General Reserve Balance of £607,000, allowing the School to restore its Capital Reserve Fund over the next few years to its historic level of £1.5m. However, due to the school benefiting from additional net income during the year, the transfer to the Capital Reserve was increased by £4,000 to £263,000 in accordance with the above strategy.
3. Following this transfer, and after taking account of the planned expenditure funded from the reserve during the year, the balance in the Capital Reserve Fund as at 31 March 2017 £302,022 (31 March 2016: £925,851).
4. The main reasons for the variations summarised in Table 1, resulting in an increase in net income of £4,000, were:-

Additional income of £134,000 principally as a result of:-

- i) higher than anticipated other income of £98,000, arising from retained deposits of £70,000 for students who did not join the school and an additional £28,000 income from lettings as a result of the agreed commencement of commercial lets (with sports providers 'Go Mammoth' and other external lets); and
- ii) an increase in registration fees of £39,000 following the continued popularity of the School.

Higher expenditure of £130,000 mainly due to:-

- iii) an increase in supplies and services of £154,000 principally due to an increase in catering costs for school events, security expenses and other IT related equipment costs;
- iv) an increase in employee expenses of £84,000 due to a number of variations, with the main contributing factors including additional part-time and temporary teaching staff, and pre-planned and agreed support staff build-out;

Partly Offset by:

- v) an underspend on premises related expenses of £66,000, including a reduction in energy costs of £42,000, as a result of continued efforts to improve energy efficiency within the school, and a reduction in rent costs of £24,000 due to the PE department no longer using the SCORE sports centre facility.

Unrestricted, Designated and Restricted Funds

5. A summary of unrestricted, designated and restricted funds showing the movements in 2016/17 is attached at Annex C. Total funds have decreased by £1,116,150 from £3,513,064 to £2,396,914 (Annex C) at 31 March 2017. The main movements are as follows:-
- i) Unrestricted Fund net income, before transfers, of £1,461,961 as detailed in Table 1, which was used to partly offset expenditure charged to the designated funds as follows:
 - ii) planned expenditure from the Repairs and Maintenance Fund of £1,403,554 in accordance with the agreed programme of works offset by interest of £4,912;
 - iii) expenditure from the Capital Reserve Fund of £892,367 on the 2016 summer works, including part funding of the Library Refurbishment (£610k) and security Phase 1 (125k), offset by interest of £5,577;
 - iv) planned expenditure from the Information Technology (IT) Fund of £194,615 on various replacements of IT equipment offset by interest of £501; and
 - v) expenditure from the Boys' Own Scholarships Fund of £82,860, offset by income of £12,038 and interest of £3,174.

6. City of London overall Financial Position and context for the Efficiency and Sustainability Plan

The Court of Common Council approved the published Efficiency and Sustainability Plan on the 13th October 2016. This plan focuses on the existing Service Based Review programme which is now nearing completion, other agreed transformation initiatives and developing a framework for continuous efficiency improvement for 2017/18 and later years. This plan needs to be viewed in the context of the overall Medium Term Financial Strategy to have a five year plan with sufficient cashable savings to present a balanced budget for all four funds and adopting an investment approach utilising the headroom to invest in one-off projects such as the Museum of London relocation project and 'bow wave' list of outstanding repairs.

To assist with this context and messaging, a set of core messages on the City of London Corporation's Finances have been developed and are set out in Annex B for members information.

Contacts:

Chamberlain's Department: Steven Reynolds, Group Accountant

Tel: 020 7332 1382

steven.reynolds@cityoflondon.gov.uk

City of London School: Charles Griffiths, Bursar

Tel: 020 7489 4704

charles.griffiths@cityoflondonschool.org.uk

CITY SUPPORT

<u>City Support</u>	Budget	Actual	Variation Better/ (Worse) 2016/17 £'000
	2016/17 £'000	2016/17 £'000	
Scholarships			
General (note i)	738	738	-
2.5% Match Funding (note ii)	356	356	-
Total Scholarships	1,094	1,094	-
Support Services			
Information Systems	49	36	13
Chamberlain	69	72	(3)
Comptroller & City Solicitor	10	2	8
Town Clerk	104	116	(12)
City Surveyor	38	30	8
Corporate & Democratic Core (CDC)	24	26	(2)
Staff Insurance	50	40	10
Total Support Services	344	322	22
Capital Charges – Depreciation	146	146	-
Other support and adjustments			
City Procurement savings/(costs) (note iii)	16	16	-
London Living Wage - Catering (note iv)	22	22	-
London Living Wage - Cleaning (note v)	71	71	-
Service Based Review Savings (note vi)	(109)	(109)	-
Printing Administration Reduction	(1)	(1)	-
Total other support and adjustments	(1)	(1)	-
TOTAL CITY SUPPORT	1,583	1,561	22

Notes:

- i) City's Cash finances the equivalent of 48 full fee scholarships per annum.
- ii) The funding guidelines, as agreed by Policy & Resources Committee on 19 September 2002, provided for the City to match fund external bursary funds raised from that date onwards up to a cap of 2.5% of tuition fee income.

Annex A

- iii) As a result of new contracts procured by City Procurement, expenditure by City Schools should be reduced. However, such savings are intended to benefit the City Corporation centrally to help achieve balanced revenue budgets on City's Cash over the medium term. In order to move these savings from the Schools to the centre, an adjustment has been made to the City's support to the Schools. This will leave the Schools in a neutral resource position as the reduction in costs from the contract savings will be offset by a reduction in income through the City's support. Should a contract procured by the City Procurement Team result in an increase in a School's costs then a compensatory increase will be made to the City's support to retain the neutrality principle.
- iv) The City of London School catering contract was awarded to Holroyd Howe Ltd for three years from 1 September 2013. Excluding the London Living Wage (LLW), costs would have remained broadly in line with the previous contract. However, in accordance with the City of London Corporation's policy on the LLW, all tenderers also quoted prices inclusive of LLW, and this added £22,000 to the full annual cost. To ensure that the School is not financially disadvantaged, £22,000 has been added to the City's Support.
- v) The Corporate Cleaning Contract was awarded to MITIE from 1 September 2011, and further to iv) above, in accordance with the City of London Corporation's policy on the LLW, to ensure that the School is not financially disadvantaged, the City's Support has been increased.
- vi) The Service Based Review (SBR) aims to deliver significant and sustainable savings and/or increased income in order to balance City Fund and City's Cash over the medium term. The Policy and Resources Committee agreed savings proposals totalling £109,000, excluding additional income from increases in tuition fees, for the City of London School. These proposals were phased £87,000 in 2015/16 with an additional £22,000 in 2016/17.

SUPPORT SERVICES AND CAPITAL FINANCING CHARGES

<u>Support Services and Capital Financing Charges</u>	Budget	Actual	Variation Better/ (Worse)
	2016/17	2016/17	2016/17
	£'000	£'000	£'000
Support Services			
Information Systems (IS)	(49)	(36)	13
Chamberlain	(69)	(72)	(3)
Comptroller & City Solicitor	(10)	(2)	8
Town Clerk	(104)	(116)	(12)
City Surveyor	(38)	(30)	8
Corporate & Democratic Core (CDC)	(24)	(26)	(2)
Staff Insurance	(50)	(40)	10
Other Insurance	(77)	(74)	3
City Surveyor's Employee Recharge	(154)	(136)	18
CLPS Staff	(46)	(60)	(14)
Support Services Sub-Total	(621)	(592)	29
Capital Charges – Depreciation	(146)	(146)	-
TOTAL SUPPORT SERVICES AND CAPITAL FINANCING CHARGES	(767)	(738)	29

Efficiency & Sustainability Plan

CORE MESSAGES ON THE CITY OF LONDON CORPORATION'S FINANCES – January 2017

Our aim:

Our funds are there to help the City of London Corporation promote financial, professional and business services, provide excellent public services and support the City, capital and country as a whole.

They must be used economically, efficiently and effectively to maintain the City's underlying infrastructure and services and so we can prioritise paying for initiatives which meet our long-term ambitions.

How we do this:

The City has four funds.

Two of these are paid for by ratepayers and taxpayers:

- City Fund - money used to cover local authority activities in the square mile and beyond.
- Police Fund – the money used to pay for the City of London Police Force

Two are provided at no cost to the taxpayer:

- City's Cash - an endowment fund built up over 800 years and passed from generation to generation used to fund services that benefit London and the nation as a whole.
- Bridge House Estates - the money used to look after five bridges over the Thames with any surpluses being used for charitable purposes and awarded through the City Bridge Trust.

It is a duty on us to make the best use of the resources we have. This can only be done through continually reviewing the economy, efficiency and effectiveness of our services, the outcomes that are achieved and how they meet our long-term ambitions.

Everyone has a role to play in constantly challenging what we do and thinking about how we could do things better.

Are there further cuts being made?

Yes, but only 2% and only to ensure continuous improvement. In 2014, we estimated that due to cuts in government funding City Fund would be facing deficits approaching £11m by 2017/18 so we had to deal with this by scrutinising all our activities in what we called the Service Based Review.

Annex B

We could, of course, have just made efficiencies in those areas paid out of public funds. But we decided it was not fair or equitable to ask some parts of our organisation to be more efficient and not others.

Proposals totalling £20m in efficiencies/extra income were identified and are well underway to being implemented. Following the completion of the Service Based Review programme, a continuous 2% per annum budget reduction target will be introduced across all our services. Departments will be expected to meet this through efficiency and performance improvements.

Why are we continuing to make budget reductions?

Firstly, we have a duty to ensure the most effective and efficient use of our resources.

Secondly, we continue to have big cost pressures. We live in a historic and ageing City. Many of our properties are deteriorating which requires an increased level of investment, and our IT infrastructure and service needs investment. In addition the City of London Police needs to address the changing nature of policing and the increasing demands placed on the service in the context of increased security threats from terrorism, growing cybercrime and online economic crime and intelligence requirements.

Thirdly, by being economic, efficient and making savings and focusing our efforts where we are most effective we can enhance existing services and pursue new priorities and increasingly ambitious outcomes for the benefit of the City, London and the nation.

Why not utilise the City's Cash fund endowment?

This is money which has been passed down to us over the years, produces income for us and is not to be used lightly as we want to pass it on to future generations to sustain services in the medium to longer term. Its income comes mainly from property and investments and is used to finance activities for the benefit of the City, London and the nation as a whole. Any sale of the underlying investments reduces the ability of the fund to generate income in future years.

The City's Cash budget will be running a deficit over the next three years to allow us to carry out essential investment before returning to a small surplus in 2020/21.

So what does the future look like for these funds?

The financial forward look for two of our funds is relatively healthy but uncertainties remain.

- City Fund: we have been planning for a continuing reduction in government grant and the underlying budget position is robust. We will be using the headroom to invest in essential repairs and maintenance and to fund the building of the new Museum of London to the benefit of all Londoners and the country as a whole.

Annex B

- **City's Cash:** The forecast deficit over the next three years reflects our commitment to carry out essential investment and to support cultural development before returning to a small surplus in 2020/21.
- **Bridge House Estates:** the rising surplus will increase the resources available to the City Bridge Trust for charitable giving across London.
- **The Police Fund:** The underlying financial position remains very challenging with the recent Police core grant settlement marginally lower than anticipated. Additional cost pressures have meant the fund has moved into deficit, utilising the remaining ring fenced reserves in 2016/17 and 2017/18. An interim strategy has been developed and proposed for dealing with the deficit to the end of 2017/18. The Town Clerk, the Chamberlain and the Commissioner, have commissioned a review of the Police operating model, focusing on future demand modelling and how best to secure VFM, to identify options to address the, as yet unfunded, projected deficits of £5.6m in 2018/19 and £3.8m in 2019/20.

What are your total assets?

The City of London Corporation has assets of around £4bn. Income from these assets fund our services and any sale of assets to fund on-going services in the short term would harm our ability to protect services in the medium to longer term. Sale of many of our local authority assets to fund day to day services is also effectively prohibited by Local Government accounting rules.

This page is intentionally left blank

City of London School
2016/17 Movement of Funds

	Balance 1st April 2016	Interest	Income	Expenditure	Transfer between funds	Balance 31st March 2017
	£	£	£	£	£	£
<u>Unrestricted</u>						
Revenue Surplus	599,914	19,035	17,025,351	-15,582,425	-	2,061,875
Capital Reserve Fund	-	-	-	-	-262,961	262,961
Repairs & Maintenance	-	-	-	-	-951,000	951,000
Information Technology	-	-	-	-	-189,000	189,000
Retirement	-	-	-	-	-32,000	32,000
Grove Park Sports	-	-	-	-	-10,000	10,000
Organ Replacement	-	-	-	-	-10,000	10,000
	599,914	19,035	17,025,351	-15,582,425	-1,454,961	606,914
<u>Designated</u>						
Capital Reserve	925,851	5,577	-	-892,367	262,961	302,022
Boys' Own Scholarships	529,473	3,174	12,038	-82,860	-	461,825
Match-Funded Scholarships	-	-	364,050	364,050	-	-
Other Match Funds	1,001	-	30,897	25,858	-	4,038
Repairs & Maintenance	954,904	4,912	-	1,403,554	951,000	507,262
Bookshop	28,502	113	146,409	-147,601	-	27,423
Information Technology	175,577	501	-	194,615	189,000	170,463
Retirement	87,834	529	-	-	32,000	120,363
Organ Replacement	72,524	552	-	-28,620	10,000	54,456
Vehicle Purchase	87,215	445	-	-17,870	-	69,790
School Fund	-	-	12,571	-12,571	-	-
The Citizen	1,000	6	-	-	-	1,006
Grove Park Sports	512	3	1,239	-	10,000	11,754
	2,862,391	15,812	567,204	3,169,966	1,454,961	1,730,402
<u>Restricted</u>						
External scholarships	50,759	-	703,908	695,069	-	59,598
	50,759	-	703,908	695,069	-	59,598
Total Funds	3,513,064	34,847	18,296,463	19,447,460	-	2,396,914

This page is intentionally left blank

Committee(s):	Date(s):	Item no.
Board of Governors of the City of London School	Wednesday, 18 October 2017	
Subject: The City of London School Bursary Fund incorporating The City of London School Scholarships & Prizes Fund - Annual Report and Financial Statements for the year ended 31 March 2017		Public
Report of: The Chamberlain		For Information
<p>Annual Report and Financial Statements for the year ended 31 March 2017</p> <ol style="list-style-type: none"> 1. This report provides Governors with the Annual Report and Financial Statements for the year ended 31 March 2017 of The City of London School Bursary Fund (charity 1) incorporating The City of London School Scholarships & Prizes Fund (charity 2) for information. 2. The governing scheme approved by the Charity Commission for England and Wales on 1 December 2011 directs that The City of London School Scholarships & Prizes Fund (charity number: 276654-1) shall be treated as forming part of The City of London School Bursary Fund (charity number: 276654) solely for the purpose of Part II (registration) and Part VI (accounting) of the Charities Act 2011. 3. During the year ended 31 March 2017 total funds increased by £416,171 (2015/16: total funds decreased by £29,214) to £3,870,682 (2015/16: £3,454,511). This movement comprised the following:- <ol style="list-style-type: none"> i) a net gain on investments of £338,670 (2015/16: a net loss of £171,156); ii) investment income of £116,971 (2015/16: £111,372) and donations and legacies of £1,999 (2015/16: £77,489); and iii) expenditure on charitable activities of £41,469 (2015/16: £46,919) which was largely made up of two bursary awards and 217 scholarships & prizes (2015/16: two bursary awards and 306 scholarships and prizes). 		

Cash Available as at 31 March 2017

4. Total cash held as at 31 March 2017 was £704,317 (2015/16: £626,381). As agreed by Governors on 17 October 2016, on 1 April 2017 cash of £502,746 was invested in the City of London Charities Pool, reducing the cash balance to £201,571.
5. In addition, as agreed by Governors on 15 June 2017, a further investment of £95,526 was made in the City of London Charities Pool on 1 October 2017.

Recommendations

6. It is recommended that Governors receive the Annual Report and Financial Statements for the year ended 31 March 2017 for information.

Contact:
Steven Reynolds, Group Accountant
Tel: 020 7332 1382
steven.reynolds@cityoflondon.gov.uk

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

of

THE CITY OF LONDON SCHOOL BURSARY FUND

(charity number: 276654)

INCORPORATING

THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND

(charity number: 276654-1)

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

**Trustee's Annual Report and Financial Statements
for the year ended 31 March 2017**

Contents	Page
Trustee's Annual Report	2-7
Independent Auditor's Report	8-9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12-20

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report for the year ended to 31 March 2017

1. Reference and Administration Details

Charity Names:	The City of London School Bursary Fund 'charity 1' incorporating: The City of London School Scholarships & Prizes Fund 'charity 2'.
Registered Charity Numbers:	The City of London School Bursary Fund: 276654 The City of London School Scholarships & Prizes Fund: 276654-1
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 1AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The administration of The City of London School Bursary Fund (charity registration: 276654 – “charity 1”), incorporating The City of London School Scholarships & Prizes Fund (charity registration: 276654-1 “charity 2”) is set out in the governing Scheme approved by The Charity Commission for England and Wales on 1 December 2011. This Scheme replaced the previous charitable trust deed dated 22 September 1978 for The City of London School Bursary Fund, and the various individual governing documents of The City of London School Scholarships & Prizes Fund.

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

This scheme further directs that The City of London School Scholarships & Prizes Fund (charity number: 276654-1 "charity 2") shall be treated as forming part of The City of London School Bursary Fund (charity registration: 276654 "charity 1") solely for the purpose of Part II (registration) and Part VI (accounting) of the Charities Act 2011.

Trustee

The body corporate known as The City of London Corporation is the Trustee of The City of London School Bursary Fund (charity registration: 276654 "charity 1") and The City of London School Scholarships & Prizes Fund (charity number: 276654-1 "charity 2"), acting through the Board of Governors of the City of London School.

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

Policies and Procedures for the Induction and Training of Trustees

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

Organisational structure and decision making process

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

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

Related Parties

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

Risk identification

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

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

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

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

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

3. Objectives and Activities for the Public Benefit

Object of Charity 1 – The City of London School Bursary Fund (charity registration: 276654)

The object of the charity is the promotion of education (including physical training) by the provision of bursaries and other forms of financial assistance for fees and/or other costs incurred through attendance at the School to enable pupils to further their education at the School by for example providing financial assistance to those who:-

- (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.

Object of Charity 2 – The City of London School Scholarships and Prizes Fund (charity number: 276654-1)

The object 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.

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

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

4. Targets, Achievements and Performance for 2016/17

- 1) The aim for the City of London School Bursary Fund (charity 1) during 2016/17 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. Two bursaries (2015/16: two bursaries) were awarded during the year amounting to £23,449 (2015/16: £22,329). The Fund also contributed a total of £nil during 2016/17 (2015/16: £3,180) towards the costs of uniforms, school trips etc. for pupils at the School who are in receipt of bursaries from other sources which cover all of their school tuition fees; and
- 2) The aim for the City of London School Scholarships and Prizes Fund (charity 2) during 2016/17 was to continue to assist children to study various subjects at the School and to assist in further education. In line with this aim, the school successfully allocated 217 prizes and scholarships during the year (2015/16: 306 prizes and scholarships) amounting to £17,726 (2015/16: £21,116).

5. Financial Review

During the year ended 31 March 2017 total funds increased by £416,171 (2015/16: total funds decreased by £29,214) to £3,870,682 (2015/16: £3,454,511). This movement comprised the following:-

- i) a net gain on investments of £338,670 (2015/16: a net loss of £171,156);
- ii) investment income of £116,971 (2015/16: £111,372) and donations and legacies of £1,999 (2015/16: £77,489); and
- iii) expenditure on charitable activities of £41,469 (2015/16: £46,919) which was largely made up of two bursary awards and 217 scholarships & prizes (2015/16: two bursary awards and 306 scholarships and prizes).

Going Concern

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

Reserves Policy

The Reserves Policy is to maintain the 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 in accordance with the objectives of the charity. The income arising from these investments is distributed in accordance with the objectives outlined in section 3.

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

5. Financial Review (continued)

Investment Policy

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

6. Plans for Future Periods

The aims for 2017/18 are:

- i) for The City of London School Bursary Fund (charity 1) to continue to contribute towards pupils' fees, where financial hardship would cause the pupils to be unable to continue at the school, and to contribute to the cost of uniforms, school trips etc. for pupils from disadvantaged backgrounds; and
- ii) for The City of London School Scholarships and Prizes Fund (charity 2) to continue to assist children to study various subjects at the school, or to assist in further education.

7. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities (continued)

The Trustee is responsible for keeping proper accounting records that discloses with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Adopted and signed for on behalf of the Trustee on **15 November 2017.**

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

Jamie Ingham Clark
Deputy Chairman of
Finance Committee

Independent Auditor's Report to the Trustees of The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund

We have audited the financial statements of The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund for the year ended 31 March 2017 which are set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement set out on pages 6 to 7, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

X October 2017

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

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND**

Statement of Financial Activities for the year ended 31 March 2017

	Note	Unrestricted Fund	Restricted Fund	Endowment Fund	Total Funds 2016/17	Total Funds 2015/16
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		-	-	1,999	1,999	77,489
Income from investments						
Managed investment income		-	-	113,078	113,078	108,039
Interest receivable		778	843	2,272	3,893	3,333
Total income and endowments	3	<u>778</u>	<u>843</u>	<u>117,349</u>	<u>118,970</u>	<u>188,861</u>
Expenditure on:						
Charitable activities						
Bursaries awarded		7,816	-	15,633	23,449	22,329
Uniforms, school trips etc.		-	-	-	-	3,180
Scholarships & prizes awarded		-	-	17,726	17,726	21,116
Support costs - bursaries	5	-	-	294	294	294
Total expenditure	4	<u>7,816</u>	<u>-</u>	<u>33,653</u>	<u>41,469</u>	<u>46,919</u>
Net gains/(losses) on investments	7	-	-	338,670	338,670	(171,156)
Net income/(expenditure)		<u>(7,038)</u>	<u>843</u>	<u>422,366</u>	<u>416,171</u>	<u>(29,214)</u>
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-
Net movement in funds		<u>(7,038)</u>	<u>843</u>	<u>422,366</u>	<u>416,171</u>	<u>(29,214)</u>
Reconciliation of funds						
Total funds brought forward	9	<u>130,125</u>	<u>139,556</u>	<u>3,184,830</u>	<u>3,454,511</u>	<u>3,483,725</u>
Total funds carried forward	9	<u>123,087</u>	<u>140,399</u>	<u>3,607,196</u>	<u>3,870,682</u>	<u>3,454,511</u>

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

All incoming resources and resources expended derive from continuing activities.

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND**

Balance Sheet as at 31 March 2017

	Note	2017	2016
		£	£
Fixed Assets			
Managed Investments	7	<u>3,175,484</u>	<u>2,836,814</u>
Current Assets			
Cash at bank and in hand		704,317	626,381
Creditors: amounts falling due within one year	8	<u>(9,119)</u>	<u>(8,684)</u>
Net Current Assets		695,198	617,697
Total Assets less Current Liabilities	8	<u>3,870,682</u>	<u>3,454,511</u>
The funds of the charity			
Unrestricted Designated Fund		123,087	130,125
Restricted Fund		140,399	139,556
Expendable Endowment Fund		3,312,198	2,921,294
Permanent Endowment Fund		294,998	263,536
Total funds	9	<u>3,870,682</u>	<u>3,454,511</u>

Approved and signed for and on behalf of the Trustee.

The notes at pages 12 to 20 form part of these accounts.

Dr Peter Kane
Chamberlain of London
15 November 2017

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

1. Accounting Policies

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

(a) ***Basis of Preparation***

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

The administration of The City of London School Bursary Fund (charity registration: 276654 – “charity 1”), incorporating The City of London School Scholarships & Prizes Fund (charity registration: 276654-1 “charity 2”) is set out in the governing Scheme approved by The Charity Commission for England & Wales on 1 December 2011. This scheme directs that The City of London School Scholarships & Prizes Fund (charity 2) shall be treated as forming part of The City of London School Bursary Fund (charity 1) solely for the purpose of Part II (registration) and Part VI (accounting) of the Charities Act 2011.

(b) ***Going Concern***

The Trust is considered a going concern for the foreseeable future as the Trustee has due regard to maintaining the capital base and only the investment income is generally used in furtherance of the objectives of the Trust.

(c) ***Cash Flow Statement***

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

(d) ***Income Recognition***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably in the charity's funds.

(e) ***Investment income***

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

(f) ***Expenditure Recognition***

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

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

1. Accounting Policies (continued)

(g) ***Bursaries, Scholarships and Prizes awarded***

Bursaries are accounted for when the recipient has a reasonable expectation that they will receive the bursary and where any conditions attached to the bursary are outside the control of the Fund. Scholarships and Prizes are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure.

(h) ***Investments***

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The unrealised gains/(losses) on investments at the balance sheet date are included.

(i) ***Fund Accounting***

The funds of the charities consist of an Unrestricted Designated Fund, a Restricted Fund and an Endowment Fund which comprises permanent and expendable funds.

2. Tax Status of the Charity

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

The City of London School for Boys Scholarships and Prize Funds is a registered charity and as such its income and gains are potentially exempt from income tax to the extent that they are applied to its charitable purposes.

3. Incoming Resources from Generated Funds

Incoming resources are analysed as follows for The City of London School Bursary Fund (*charity 1*) incorporating The City of London School Scholarships & Prizes Fund (*charity 2*):

	Charity 1 Bursary Fund	Charity 2 Scholarships & Prizes Fund	Total 2016/17	Total 2015/16
	£	£	£	£
Donations and legacies	749	1,250	1,999	77,489
Investment Income				
Managed Investment Income	82,434	30,644	113,078	108,039
Interest Receivable	2,748	1,145	3,893	3,333
Total Incoming Resources	85,931	33,039	118,970	188,861

Donations and Legacies:

Donations totalling £1,999 were received during the year (2015/16: £77,489) .

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

3. Incoming Resources from Generated Funds (continued)

Investment Income:

Income for the year derived from the investments in The City of London Charities Pool amounting to £113,078 (2015/16: £108,039) noted in 1(e) and interest received on cash balances of £3,893 (2015/16: £3,333).

4. Resources Expended

Resources expended are analysed as follows, for The City of London School Bursary Fund (*charity 1*) incorporating The City of London School Scholarships & Prizes Fund (*charity 2*):

	Charity 1 Bursary Fund	Charity 2 Scholarships & Prizes Fund	Total 2016/17	Total 2015/16
	£	£	£	£
Charitable Activities				
Bursaries Awarded	23,449	-	23,449	22,329
Uniforms, school trips etc.	-	-	-	3,180
Scholarships & Prizes Awarded	-	17,726	17,726	21,116
Support Costs – bursaries	294	-	294	294
Total Resources Expended	23,743	17,726	41,469	46,919

Charitable activities consist of:

- i) two bursaries (2015/16: two bursaries) were awarded during the year amounting to £23,449 (2015/16: £22,329). The bursaries were awarded to individuals and therefore specific details cannot be disclosed;
- ii) the fund contributed £nil towards the cost of uniforms, school trips etc. for pupils at the School (2015/16: £3,180);
- iii) 217 scholarships and prizes awarded amounting to £17,726 (2015/16: 306 scholarships and prizes amounting to £21,116). The scholarships and prizes were awarded to individuals and therefore specific details cannot be disclosed; and
- iv) support costs for bursary administration of £294 were charged by the City of London Corporation during the year (see note 5 below) (2015/16: £294).

5. Support and Governance Costs

Staff numbers and costs

The charity does not employ any staff. Officers of the City of London Corporation provide administrative assistance to the charity when required, but this is not considered material and is not separately calculated by the City of London Corporation. There are however some specific administration services concerned with Bursary Administration which are charged directly to the charities. The charge in 2016/17 amounted to £294 (2015/16: £294).

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

5. Support and Governance Costs (continued)

Auditor's remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustee's expenses

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

7. Investment Assets

The value and cost of investments for The City of London School Bursary Fund (*charity 1*) incorporating The City of London Scholarships & Prizes Fund (*charity 2*) comprises:

	Endowment Fund	Total 2017	Total 2016
	£	£	£
<u>Charity1 – Bursary Fund</u>			
Market Value 1 April	2,065,760	2,065,760	2,190,395
Net Investment Gain	246,636	246,636	(124,635)
Market Value 31 March	2,312,396	2,312,396	2,065,760
Units in Charities Pool	265,183	265,183	265,181
<u>Charity 2 – Scholarships and Prizes Fund</u>			
Market Value 1 April	771,054	771,054	817,575
Net Investment Gain	92,034	92,034	(46,521)
Market Value 31 March	863,088	863,088	771,054
Units in Charities Pool	98,978	98,768	98,980
Total Market Value 31 March	3,175,484	3,175,484	2,836,814
Total Cost when purchased	1,786,880	1,786,880	1,786,880
Units in Charities Pool	364,161	364,161	364,161

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

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

7. Investment Assets (continued)

	2017	2016
	£	£
Equities:		
UK	2,472,188	2,097,569
Overseas	446,721	431,595
Bonds: UK	17,460	75,947
Pooled Units: UK	157,340	117,878
Cash Held By Fund Manager	81,775	113,825
Total Funds	3,175,484	2,836,814

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

As at 31 March 2017 the Fund achieved a return of +16.30% compared to the FTSE All Share Index return of +21.95%, an underperformance of 5.35%. However over three and five years the Fund has outperformed the index as follows:

	3 Years	5 Years
Fund	8.39%	10.98%
FTSE All Share	7.69%	9.67%
Out performance	0.71%	1.31%

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

8. Analysis of Net Assets by Fund at 31 March 2017

The net assets for The City of London School Bursary Fund (*charity 1*) incorporating The City of London School Scholarships & Prizes Fund (*charity 2*) comprises:

	Unrestricted Fund	Restricted Fund	Endowment Funds		Total 2017	Total 2016
			Permanent	Expendable		
	£	£	£	£	£	£
Charity 1 – Bursary Fund						
Investments - 31 March	-	-	294,998	2,017,398	2,312,396	2,065,760
Fixed Assets	-	-	294,998	2,017,398	2,312,396	2,065,760
Current Assets	125,692	-	-	387,976	513,668	451,044
Current Liabilities (1)	(2,605)	-	-	(6,514)	(9,119)	(8,684)
Net Current Assets	123,087	-	-	381,462	504,549	442,360
Total Net Assets	123,087	-	294,998	2,398,860	2,816,945	2,508,120
Charity 2 – Scholarships & Prizes Fund						
Investments - 31 March	-	-	-	863,088	863,088	771,054
Fixed Assets	-	-	-	863,088	863,088	771,054
Current Assets	-	140,399	-	50,250	190,649	175,337
Current Liabilities (1)	-	-	-	-	-	-
Net Current Assets	-	140,399	-	50,250	190,649	175,337
Total Net Assets	-	140,399	-	913,338	1,053,737	946,391
Total Net Assets (charity 1 and 2)	123,087	140,399	294,998	3,312,198	3,870,682	3,454,511

(1) Current liabilities amount to £9,119 and represent bursaries and scholarships and prizes awarded by the Trust for the Summer term 2017 (2015/16: £8,684).

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

9. Summary of Funds and Movements during the year to 31 March 2017

The total movement in funds is show below and separately for each charity:

Total Movement in Funds

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Income Fund:						
Unrestricted:						
Designated (1)	130,125	778	(7,816)	-	-	123,087
Restricted (2)	139,556	843	-	-	-	140,399
Endowments:						
Expendable (3)	2,921,294	117,349	(33,653)	-	307,208	3,312,198
Permanent (4)	263,536	-	-	-	31,462	294,998
Total Funds	3,454,511	118,970	(41,469)	-	338,670	3,870,682

Movement in Funds of Charity 1 – The City of London School Bursary Fund

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Income Fund:						
Unrestricted:						
Designated (1)	130,125	778	(7,816)	-	-	123,087
Endowments:						
Expendable (3)	2,114,459	85,154	(15,927)	-	215,174	2,398,860
Permanent (4)	263,536	-	-	-	31,462	294,998
Total Funds	2,508,120	85,932	(23,743)	-	246,636	2,816,945

Movement in Funds of Charity 2 – The City of London School Scholarships & Prize Fund

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Income Fund:						
Restricted (2)	139,556	843	-	-	-	140,399
Endowments:						
Expendable (3)	806,835	32,195	(17,726)	-	92,034	913,338
Total Funds	946,391	33,038	(17,726)	-	92,034	1,053,737

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

**9. Summary of Funds and Movements during the year to 31 March 2017
(continued)**

Notes to the funds:

1. Unrestricted Designated Fund

This relates to the bequest from the estate of Rodney FitzGerald which is to be held as an unrestricted designated fund. The purpose of this fund is to provide support in the form of bursaries to students with sporting ability. Planned use comprises the distribution of bursary awards to students with sporting ability.

2. Restricted Fund

This relates to the bequest from the estate of Ronald Charles Sansom which is to be invested as a restricted fund. The purpose of this fund is to relieve poverty, of pupils who hold a scholarship or bursary, with the additional necessary costs associated with schooling. Planned use comprises the distribution of the income to relieve poverty of pupils who hold a scholarship or bursary, with the additional necessary costs associated with schooling.

3. Endowment Fund - Expendable

The Charity's governing Scheme identified that the property of all charities identified in Part 1 of Schedule 1 to the Scheme be held as expendable endowment by The City of London School Bursary Fund "charity 1", and the property of all charities identified in Schedule 2 to the Scheme be held as expendable endowment by The City of London School Scholarships and Prizes Fund "charity 2". The purpose of this fund is to provide support in the form of bursaries and other forms of financial assistance, and the provision of scholarships, prizes or other suitable rewards or marks of distinction in accordance with the objectives of the charity. Planned use comprises the award of bursaries and other forms of financial assistance, and the provision of scholarships, prizes or other suitable rewards or marks of distinction, with any surplus income carried forward to be used in subsequent years. Awards are funded by donations, legacies and any income generated from The City of London Charities Pool as a result of the investment of such donations.

4. Endowment Fund - Permanent

The Charity's governing Scheme identified that 11 scholarship and prize funds, as detailed in Part 2 of Schedule 1 to the Scheme, be held as permanent endowment by The City of London School Bursary Fund "charity 1". The permanent endowment of the 11 scholarship and prize funds comprises 33,830 Charities Pool units. The purpose of this fund is to maintain the capital base of the charity. Planned use comprises the investment of the original endowment to the charity in the City of London Charities Pool, and the recognition of any gains or losses on revaluation of the investments at their current market value.

**THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

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

10. Details of related parties and wider networks

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

The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee. Investment income from the Charities Pool in 2016/17 amounted to £113,078 (2015/16: £108,039).

11. Subsequent events after the balance sheet date

As agreed by the Board of Governors of the City of London School Board at its meeting on 17 October 2016, cash of £362,027 be invested from The City of London School Bursary Fund (*charity 1*) and cash of £140,719 be invested from The City of London School Scholarships & Prizes Fund (*charity 2*) in the City of London Charities Pool at the next available opportunity. Accordingly, a total of 41,469 and 16,119 units respectively were purchased at £8.73 per unit in April 2017.

This page is intentionally left blank

Committee(s):	Date(s):	Item no.
Board of Governors of the City of London School	Wednesday, 18 October 2017	
Subject: City of London School Education Trust – 2016/17 Annual Report and Financial Statements		Public
Report of: The Chamberlain		For Information
<p>Annual Report and Financial Statements for the year ended 31 March 2017</p> <p>The 2016/17 Annual Report and Financial Statements for the City of London School Education Trust (charity number: 1118571) are attached.</p> <p>During the year ended 31 March 2017 total funds decreased by £253 (2015/16: an increase of £30) to £5,807 (2015/16: £6,060). This movement comprised the following:-</p> <ul style="list-style-type: none"> i) expenditure of £304,526 towards the purchase of furniture as part of the School’s library refurbishment (2015/16: expenditure of £7,000 on preliminary design works for the refurbishment of the School’s Library); and ii) income of £304,273 comprising a donation of £303,000, towards the cost of furniture as noted above, and investment income of £1,273 (2015/16: a donation of £7,000 to cover the expenditure on preliminary design works as noted above and investment income of £30). <p>Recommendations</p> <p>It is recommended that Governors receive this report for information.</p>		

Contact:
 Steven Reynolds, Group Accountant
 Tel: 020 7332 1382
steven.reynolds@cityoflondon.gov.uk

This page is intentionally left blank

***THE CITY OF LONDON SCHOOL
EDUCATION TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017***

Charity Number: 1118571

**Trustee's Annual Report and Financial Statements
For the year ended 31 March 2017**

Contents	Page
Trustee's Annual Report	2-5
Independent Auditor's Report	6-7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10-12

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report for the year ended 31 March 2017

1. Reference and Administrative Details

Charity Name:	The City of London School Education Trust
Registered Charity Number:	1118571
Principal Address:	Guildhall, London, EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer and Banker:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The constitution of this Trust is set out in the governing document dated 27 March 2007.

Trustee

The body corporate known as The City of London Corporation is the Trustee of The City of London School Education Trust, acting through the Board of Governors of The City of London School.

Policies and Procedures for the Induction and Training of Trustees

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

Organisational structure and decision making process

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process (continued)

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

Related Parties

Details of any related party transactions are disclosed in note 9 to the Financial Statements.

Risk identification

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

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

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

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

3. Objectives and Activities for the Public Benefit

The objects of the Trust are:

- (1) To advance the education of pupils of the City of London School (the School), children and young people who are not pupils of the School, in particular but not exclusively by providing or assisting in the provision of facilities for education, including social and physical education and education in music and arts; and
- (2) To provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure-time occupation for individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public benefit at large, with the aim of improving their condition of life.

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

4. Achievements and Performance

During the year expenditure on charitable activities amounted to £304,526 (2015/16: £7,000) on the purchase of furniture as part of the School's Library refurbishment (2015/16: £7,000 on preliminary design works in relation to the refurbishment of the School's Library).

5. Financial Review

During the year ended 31 March 2017 total funds decreased by £253 (2015/16: an increase of £30) to £5,807 (2015/16: £6,060). This was due to expenditure of £304,526 on the purchase of furniture as part of the library refurbishment, which was offset by voluntary income of £303,000 to largely cover the cost of this furniture, and investment income of £1,273 (2015/16: expenditure of £7,000 on preliminary design works for the refurbishment of the School's Library, offset by voluntary income of £7,000 and investment income of £30).

Going Concern

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

Reserves Policy

The Trust currently only has a restricted fund which was initially set up with a donation in 2007 towards the refurbishment of the School's theatre. Since that time further donations have been received towards a variety of projects and activities in accordance with the objects of the Trust. Future expenditure will be dependent upon the nature of the income received by the Trust.

Investment Policy

The charity's funds are currently held in cash. Funds which are not required for immediate use (including those which will be required for use at a future date) are placed in interest earning deposits.

6. Plans for Future Periods

The aims for 2017/18 are:

- (1) To continue to advance the education of pupils of the City of London School (the School), children and young people who are not pupils of the School, in particular but not exclusively by providing or assisting in the provision of facilities for education, including social and physical education and education in music and arts; and
- (2) To continue to provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure-time occupation for individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public benefit at large, with the aim of improving their condition of life.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Adopted and signed for on behalf of the Trustees on **15 November 2017**.

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

Jamie Ingham
Deputy Chairman of
Finance Committee

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Independent Auditor's Report to the Trustees of The City of London School Education Trust

We have audited the financial statements of The City of London School Education Trust for the year ended 31 March 2017 which are set out on pages 8 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement set out on page 5, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or

THE CITY OF LONDON SCHOOL EDUCATION TRUST

- we have not received all the information and explanations we require for our audit.

Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

X October 2017

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Statement of Financial Activities for the year ended 31 March 2017

	Note	Restricted Fund	Total Funds 2016/17	Total Funds 2015/16
		£	£	£
Income and endowments from:				
Donations and legacies		303,000	303,000	7,000
Income from investments				
Managed investment income		-	-	-
Interest receivable		1,273	1,273	30
Total income and endowments	3	<u>304,273</u>	<u>304,273</u>	<u>7,030</u>
Expenditure on:				
Charitable activities	4	<u>304,526</u>	<u>304,526</u>	<u>7,000</u>
Total expenditure		<u>304,526</u>	<u>304,526</u>	<u>7,000</u>
Net income/(expenditure)		(253)	(253)	30
Transfers between funds		-	-	-
Other recognised gains/(losses)		-	-	-
Net movement in funds		<u>(253)</u>	<u>(253)</u>	<u>30</u>
Reconciliation of funds				
Total funds brought forward	8	<u>6,060</u>	<u>6,060</u>	<u>6,030</u>
Total funds carried forward	8	<u>5,807</u>	<u>5,807</u>	<u>6,060</u>

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

All incoming resources and resources expended derive from continuing activities.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Current Assets			
Cash at bank and in hand		5,807	5,060
Debtors		-	1,000
Net current assets	7	<u>5,807</u>	<u>6,060</u>
The funds of the charity:			
Restricted Fund		<u>5,807</u>	<u>6,060</u>
Total funds carried forward	8	<u>5,807</u>	<u>6,060</u>

Approved and signed for and on behalf of the Trustee

The notes at pages 10 to 12 form part of these financial statements.

Dr Peter Kane
Chamberlain of London
15 November 2017

THE CITY OF LONDON SCHOOL EDUCATION TRUST

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

1. Accounting Policies

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

- (a) ***Basis of Preparation***

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

The Trust's future funding will arise from interest receivable on cash balances and donations. The Trust is considered a going concern for the foreseeable future because the Trustees have due regard to the level of cash balances invested and the infrequent nature of voluntary donations and plan activities accordingly.
- (c) ***Cash Flow Statement***

The Trust has taken advantage of the exemption in FRS102 from the requirement to produce a statement of cash flows on the grounds that it is a small entity.
- (d) ***Income Recognition***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.
- (e) ***Investment Income***

Investment income consists of interest on cash balances, which are invested by the City of London Corporation as set out in Section 5 of the Annual Report.
- (f) ***Expenditure Recognition***

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

The funds of the charity consist of restricted donations and interest earned on the cash balance.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

2. Tax Status of the Charity

The City of London School Education Trust is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

3. Incoming Resources

Incoming resources consist of donations of £303,000 which were received from one donor to fund the costs of the purchase of furniture as part of the School's Library refurbishment (2015/16: £7,000 received from one donor to fund the costs of preliminary design works in relation to the refurbishment of the School Library) and interest received on cash balances of £1,273 (2015/16: £30).

4. Resources Expended

Expenditure of £304,526 was incurred during 2016/17 (2015/16: £7,000) on the purchase of furniture as part of the library refurbishment (2015/16: £7,000 on preliminary design works in relation to the refurbishment of the School's Library).

5. Support and Governance Costs

Staff numbers and costs

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

Auditors' remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustee's expenses

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Notes to the Financial Statements for the year ended 31 March 2017 (continued)

7. Analysis of Net Assets by Fund at 31 March 2017

	Restricted Fund 2017	Restricted Fund 2016
	£	£
Current Assets	5,807	6,060
Total Net Current Assets	5,807	6,060

8. Summary of Funds and Movements during the year to 31 March 2017

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Restricted Fund	6,060	304,273	(304,526)	-	-	5,807
Total Funds	6,060	304,273	(304,526)	-	-	5,807

Notes to the Funds:

Restricted Fund

The restricted fund was initially set up with a donation in 2007 towards the refurbishment of the School's theatre. The purpose of this fund is to receive further donations, and undertake works towards a variety of projects and activities, such as the works in relation to the refurbishment of the School's Library during 2015/16 and 2016/17. Planned use comprises undertaking similar projects in the future.

9. Details of related parties and wider networks

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. These Trusts do not undertake transactions with the City of London School Education Trust.

A full list of these Trusts is available on application to the Chamberlain of London.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank