



Board of Governors of the City of London Freemen's School

Date: MONDAY, 25 SEPTEMBER 2017

Time: 11.00 am

Venue: CITY OF LONDON FREEMEN'S SCHOOL, ASHTEAD PARK, SURREY,
KT21 1ET

Members:

Deputy Roger Chadwick (Chairman)	Hugh Morris
Deputy Philip Woodhouse (Deputy Chairman)	Graham Packham
Stuart Fraser	Deputy Elizabeth Rogula
Deputy John Bennett	Councillor Chris Townsend
Nicholas Goddard	Alderman Dame Fiona Woolf
Michael Hudson	Gillian Yarrow
Alderman Alastair King	Deputy Clare James, Farringdon Within South Side (Ex-Officio Member)
Vivienne Littlechild	Ian Seaton (Ex-Officio Member)
Andrew McMillan	

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LUNCH WILL BE AVAILABLE AT THE RISING OF THE COMMITTEE

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 meeting held on 8 June 2017.

For Decision
(Pages 1 - 6)

4. **MINUTES OF THE FINANCE, GENERAL PURPOSES AND ESTATES SUB-COMMITTEE**

To receive the public minutes of the meeting held on 19 June 2017.

For Information
(Pages 7 - 10)

5. **MINUTES OF THE ACADEMIC AND EDUCATION SUB-COMMITTEE**

To receive the public minutes of the meeting held on 19 June 2017.

For Information
(Pages 11 - 14)

6. **REVENUE OUTTURN 2016/17**

Report of the Chamberlain and the Headmaster.

For Information
(Pages 15 - 28)

7. **DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 FOR THE CHARITIES ADMINISTERED IN CONNECTION WITH THE CITY OF LONDON FREEMEN'S SCHOOL**

Report of the Chamberlain.

For Decision
(Pages 29 - 48)

8. **THE CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

Report of the Chamberlain.

For Decision
(Pages 49 - 68)

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
11. **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

12. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 8 June 2017.

For Decision
(Pages 69 - 74)

13. **NON-PUBLIC MINUTES OF THE FINANCE, GENERAL PURPOSES AND ESTATES SUB-COMMITTEE**

To receive the non-public minutes of the Finance, General Purposes and Estates Sub-Committee held on 19 June 2017.

For Information
(Pages 75 - 78)

14. **NON-PUBLIC MINUTES OF THE ACADEMIC AND EDUCATION SUB-COMMITTEE**

To receive the non-public minutes of the Academic and Education Sub-Committee meeting held on 19 June 2017.

For Information
(Pages 79 - 82)

15. **CORPORATE CATERING SERVICES - PROCUREMENT STAGE 1**

Report of the Chamberlain and the Facilities Services Category Board.

For Decision
(Pages 83 - 96)

16. **HEADMASTER'S REPORT**

Report of the Headmaster of the City of London Freemen's School.

For Decision
(Pages 97 - 130)

17. **HEAD OF JUNIOR SCHOOL REPORT**

Report of the Head of the Junior School.

For Information
(Pages 131 - 136)

18. **BURSAR'S REPORT**

Report of the Headmaster.

a) Health and Safety report

For Decision
(Pages 137 - 156)

b) Risk Register

For Information
(Pages 157 - 168)

c) Catering, Cleaning and Housekeeping

For Decision
(Pages 169 - 200)

19. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY (OR URGENCY)**

Report of the Town Clerk.

For Information
(Pages 201 - 202)

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

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

Part 3 - Confidential Agenda

22. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the meeting held on 8 June 2017.

For Decision
(Pages 203 - 204)

BOARD OF GOVERNORS OF THE CITY OF LONDON FREEMEN'S SCHOOL **Thursday, 8 June 2017**

Minutes of the meeting of the Board of Governors of the City of London Freeman's School held at City of London Freeman's School, Ashted Park, Surrey, KT21 1ET on Thursday, 8 June 2017 at 11.30 am

Present

Members:

Deputy Roger Chadwick	Andrew McMillan
Deputy Philip Woodhouse	Councillor Chris Townsend
Stuart Fraser	Alderman Dame Fiona Woolf
Nicholas Goddard	Gillian Yarrow
Michael Hudson	

Officers:

Roland Martin	Headmaster, City of London Freeman's School
Sue Williams	Bursar, City of London Freeman's School
Evelyn Guest	Deputy Head
Andrew McCleave	Deputy Head (Academic)
Matt Robinson	Head of Junior School
Roger Adams	Senior Principal Surveyor, City Surveyor's Department
Mark Lowman	City Surveyor
Steven Reynolds	Chamberlain's Department

1. APOLOGIES

Apologies were received from Deputy John Bennett, Hugh Fenton Morris, Clare James, Vivienne Littlechild, Graham Packham, Alderman King, Ian Seaton and Deputy Elizabeth Rogula.

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

Deputy Philip Woodhouse declared a standing Declaration of Interest in that he is a Member of the Education Board.

3. ORDER OF THE COURT OF COMMON COUNCIL

Members received the Order of the Court of Common Council dated 27th April 2017, appointing the Board for the ensuing year.

RECEIVED.

4. ELECTION OF CHAIRMAN

The Election of Chairman was held in line with Standing Order 29. Deputy Roger Chadwick, being the only Member willing to stand, was declared Chairman for the ensuing year.

The Chairman thanked Governors for their continued support.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Election of Deputy Chairman was held in line with Standing Order 30. Deputy Philip Woodhouse, being the only Member willing to stand, was declared Deputy Chairman for the ensuing year.

The Headmaster extended a vote of thanks to the Chairman, Deputy Chairman and Governors for their continued service to Freemen's school.

6. **MINUTES**

Prior to discussion of the minutes, the Chairman noted the following.

- To assist in ensuring meetings are quorate, Governors to give consideration to the rotation (between the Guildhall and the school) of meeting venues and the use of audio visual conferencing facilities between the Guildhall and the school.
- The duration between each meeting is an issue, in that matters for consideration are presented for follow-up, often several months after initial documentation is presented to Governors.
The Town Clerk to investigate audio-visual conferencing and update the Chairman.

RESOLVED that: subject to the following amendment, the Minutes of the previous meeting held on 2 February 2017, be agreed as an accurate record.

Minute 1. Apologies: Apologies were received but not recorded from Councillor Chris Townsend.

There were no Matters arising.

7. **APPOINTMENT OF SUB COMMITTEES**

Members were asked to consider, for the ensuing year, the appointment, composition and Terms of Reference of the following committees: Bursary committee, Finance, General Purposes & Estates sub-committee and Academic & Education sub-committee.

- The Chairman said the Board had previously decided that a Governor appointed to one committee, should reside on all committees.
- There is an on-going issue with apologies given for sub-committee meetings, resulting in meetings that are not quorate.
- Resolved that all Governors are eligible to sit on respective sub-committees.
Town Clerk to amend the Terms of Reference for each sub-committee to reflect this.
Town Clerk to amend the Terms of Reference (TOR) for the Bursary Committee to include (as within the TOR for the remaining two sub-committees) the following:

'Any decision taken by the sub-committee shall require the agreement of a majority of Common Council Governors present at the meeting and voting.'

- In response to a Governor question, relating to issues with establishing a quorum and whether or not it would be possible for Ex-Officio Members to sit on sub-committees, the Town Clerk agreed to investigate and respond.
- Town Clerk to issue meeting dates to all Governors.
- The Headmaster said, to facilitate attendance, meetings of the Finance, General Purposes and Estates and Academic and Education sub-committees, will convene back to back and the venue will alternate between the Guildhall and Freeman's. Any meeting of the Bursary committee will precede the Board of Governors' meeting. Thought did need to be given to timings so as not to impact on School life (e.g. Monday assemblies).

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

Report of the Town Clerk for information.

The Head of Corporate Strategy & Performance, had sent apologies; today's meeting clashes with a meeting of the Policy & Resources (P&R) committee. In her absence, she had asked if the Headmaster could, by means of introduction to the draft Corporate Plan 2018-23, convey the following information to the Board. To note: the Chairman, had previously attended a meeting of another committee, at which the draft Corporate Plan was presented.

- This is a very early opportunity to give comments on the corporate vision for the next five years.
- Activities and performance from across the organisation are being mapped to the 12 outcomes to inform strategic decision-making and resource allocation.
- All Members have been invited to comment at Induction/Refresh sessions. The Plan is working its way through all Grand Committees in this cycle and all Members will be given the opportunity to comment again on the revised and expanded plan in July. Staff engagement will take place during the autumn.
- P&R and the Court of Common Council will be asked to clear the Corporate Plan in the new year so that it can be published in the spring of 2018.

Chairman and Headmaster's comments:

- The Chairman said this is about people and asked how the Plan would be filtered down to all employees. Employees need to buy into the Corporate Plan, with a level of engagement filtering down.
- The Headmaster referred to 'Place', noted as one of the strategic objectives. This should not just refer to one place within the square mile, but to the many places linked to the City of London Corporation (e.g. Freeman's, Burnham Beeches, Hampstead Heath etc).

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
No questions were raised.
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The Chairman confirmed there was no other business for urgent consideration.
11. **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.
12. **NON-PUBLIC MINUTES**
The non-public minutes of the meeting held on 2 February 2017, were considered and approved as a correct record.
13. **HEADMASTER'S REPORT**
Governors received the report of the Headmaster.
14. **HEAD OF JUNIOR SCHOOL REPORT**
Report of the Head of the Junior School.
15. **SAFEGUARDING REPORT**
Report of the Deputy Head and Designated Safeguarding Lead for information.
16. **BURSAR'S REPORT**
Report of the Headmaster for information.
17. **GATEWAY 3 MASTER PLAN 2016**
Report of City Surveyor and Headmaster.
18. **MAIN HOUSE (PHASE 2) REPORT**
To consider and approve a report of the City Surveyor and Headmaster.
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
No questions were raised.
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.
21. **TEACHER'S PAY PANEL - UPDATE**
Report of the Director of Human Resources.

The meeting ended at 1.55 pm

Chairman

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**FINANCE, GENERAL PURPOSES AND ESTATES SUB-COMMITTEE OF THE
BOARD OF GOVERNORS OF THE CITY OF LONDON FREEMEN'S SCHOOL
Monday, 19 June 2017**

Minutes of the meeting of the Finance, General Purposes and Estates Sub-Committee of the Board of Governors of the City of London Freeman's School held at City of London Freeman's School, Ashted Park, Surrey, KT21 1ET on Monday, 19 June 2017 at 11.30 am

Present

Members:

Deputy Roger Chadwick (Chairman)
Deputy Philip Woodhouse (Deputy Chairman)
Stuart Fraser

Officers:

Julie Cornelius	Town Clerk's Department
Alistair MacLellan	Senior Members' Services Officer
Sarah Port	Chamberlain's Department
Steven Reynolds	Chamberlain's Department
Roland Martin	Headmaster of the City of London Freemen's School
Andrew McCleave	Deputy Head (Academic) , City of London Freemen's School
Sue Williams	Bursar, City of London Freeman's School

1. **APOLOGIES**

Apologies for absence were received from Nicholas Goddard, Andrew McMillan and Alderman Dame Fiona Woolf.

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

There were no declarations of interest.

3. **TERMS OF REFERENCE**

Members received the Terms of Reference of the Sub Committee as set by the Board of Governors at its meeting on 8 June 2017.

RECEIVED

4. **MINUTES**

RESOLVED – That the public notes of the inquorate meeting held on 14 November 2016 be approved.

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**

Consideration was given to the following:

- To seek approval to appoint Mr Brian Harris as a Co-opted Governor to the Board and to the Finance, General Purposes and Estates Sub-Committee. Mr Harris has a long history with the School and is able to offer significant support.
- The Board of Governors and Sub-Committee meetings were discussed. Proposed to alternate meeting venues between Freeman's and the Guildhall and to advance (when meeting at Freeman's) the meeting start time; the call-over to commence at 08.30. The rationale is to enable Governors to return to the Guildhall, should they need to attend meetings later in the day.
- The Bursar has given apologies for the late submission of a paper providing an update on the insurance claim. This will be discussed under the Non-Public Agenda.
- Video conferencing was discussed. The Chairman had received an e-mail from the City of London Corporation's IT department, detailing three options. The Chamberlain has identified a budget from which the cost of this can be covered. In response to the Chairman suggesting video conferencing should be a central facility and one which can be used by other schools, the Chamberlain will follow up the outline options submitted and liaise with the Town Clerk.

RESOLVED – That,

- a) the Committee appoint Mr Brian Harris as a Co-opted Governor.

7. **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.

Motion carried.

8. **MINUTES**

RESOLVED – That the non-public notes of the inquorate meeting held on 14 November 2016 be approved.

9. **BURSARY APPLICATION AND CASH FLOW FORECAST**

RESOLVED – That the Chairman and Deputy Chairman, will, under urgency, discuss and resolve the Bursary application.

10. **STRATEGIC INTENT AND KPIS**

Members considered a report of the Headmaster concerning Strategic Intent and KPIs.

11. **VERBAL REPORT - RISK ASSESSMENT**

Members considered a verbal report of the Headmaster concerning Risk Assessment.

RECEIVED

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

There were no non-public questions.

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

There was one item of Any Other Business relating to an insurance claim.

The meeting ended at 12.45 pm

Chairman

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**ACADEMIC AND EDUCATION SUB COMMITTEE OF THE BOARD OF
GOVERNORS OF THE CITY OF LONDON FREEMEN'S SCHOOL
Monday, 19 June 2017**

Minutes of the meeting of the Academic and Education Sub Committee of the Board of Governors of the City of London Freeman's School held at City of London Freeman's School, Ashted Park, Surrey, KT21 1ET on Monday, 19 June 2017 at 10.30 am

Present

Members:

Deputy Roger Chadwick (Chairman)
Deputy Philip Woodhouse (Deputy Chairman)
Stuart Fraser
Michael Hudson
Alderman Alastair King

Officers:

Julie Cornelius	Town Clerk's Department
Alistair MacLellan	Senior Members' Services Officer
Roland Martin	Headmaster of the City of London Freemen's School
Andrew McCleave	Deputy Head (Academic) , City of London Freemen's School
Richard Dolan	Head of Upper School
Evelyn Guest	
Gareth Hughes	Head of Sixth Form, City of London Freemen's School

1. APOLOGIES

Apologies for absence were received from Nicholas Goddard, Vivienne Littlechild, Andrew McMillan and Gillian Yarrow.

The Chairman took this opportunity to welcome Alderman King who is new to the Board and is appointed as a Co-optee on this Sub Committee.

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

There were no declarations of interest.

3. TERMS OF REFERENCE

Members received the Terms of Reference of the Sub-Committee, as agreed by the Board of Governors at its meeting on 8 June 2017 and the following points were made.

The Town Clerk to make the following amendments to the Terms of Reference.

1. *'To make recommendations for the Board's approval on the following matters:'* should appear before the section *'With power to act on the following matters'*.
2. To move (this bullet point should appear as the first bullet point within the 'recommendations' section) and amend as follows, the penultimate bullet point of the recommendations:
'To monitor general compliance with safeguarding requirements (not involving individual cases).'

The Town Clerk to check that Sub-Committee membership information is up-to-date.

The Sub-Committee agreed in principle to change the name of the Sub-Committee to: Academic and Personnel Sub-Committee and for this to appear as an Agenda item at the next meeting of the Board of Governors.

RECEIVED

4. MINUTES

RESOLVED – That the public minutes and summary of the meeting held on 14 November 2016 be approved as a correct record.

5. BOARDING GOVERNOR ROLE DESCRIPTION

Members considered a report of the Headmaster concerning the role of the Boarding Governor and the following points were made

The Boarding Governor will visit the school at least once per term and will meet with the Head of Boarding and the Headmaster and/or his Deputy twice per term. The Single Central Register will be scrutinised during visits.

RESOLVED – That,

- a) Andrew McMillan is appointed as the Boarding Governor.
- b) the Boarding Governor role description is approved.

The Chairman said Mr McMillan is very engaged and this is an excellent appointment.

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

The following items of urgent business were raised.

- To look at meeting dates and venues to ensure meetings are quorate.
- To seek approval to appoint Mr Brian Harris as a Co-opted Governor to the Board of Governors and to this Sub-Committee. Mr Harris has a long history with the school and can offer significant support to the Board.

RESOLVED – That, Mr Brian Harris is appointed as a Co-opted Governor.

8. **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.

9. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 14 November 2016 be approved as a correct record, subject to an agreed amendment.

10. **2017 PREDICTED RESULTS: A LEVEL AND GCSE**

Members considered a report of the Headmaster concerning 2017 predicted results: A Level and GCSE.

11. **VERBAL ISI UPDATE**

Members considered a verbal report of the Headmaster concerning ISI.

RECEIVED

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

There were no questions.

13. **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 urgent items.

The meeting ended at 11.30 am

Chairman

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Agenda Item 6

Committee(s):	Date(s):	Item no.
Board of Governors City of London Freemen's School	Monday, 25 September 2017	
Subject: Revenue Outturn 2016/17		Public
Report of: The Chamberlain The Headmaster		For Information

Summary

The net income for 2016/17, before transfers to reserves, was £2,689,000 compared to a budgeted position of £2,255,000 - representing an increase in net income of £434,000 (19%) as shown in the table below.

	Budget 2016/17 £'000	Actual 2016/17 £'000	Variation Better/ (Worse) 2016/17 £'000	Variance explan- ation at report paragraph
Income	17,282	17,106	(176)	4iv) - 4v)
Expenditure	(15,027)	(14,417)	610	4i) -4iii)
Total net income BEFORE transfers	2,255	2,689	434	
Transfers to reserves				
- Vehicle Replacement Fund	(25)	(25)	-	
- Repairs & Maintenance	(506)	(506)	-	
- Capital Reserve Fund	(1,618)	(2,052)	(434)	
Total transfers	(2,149)	(2,583)	(434)	
Total net income AFTER transfers	106	106	-	
General Fund Bal. b/fwd 1 April	573	573	-	
General Fund Bal. c/fwd 31 March	679	679	-	

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 £679,000 for 2016/17, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines, the transfer to the Capital Reserve was £2,052,000.

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 was £3,457,807 (2015/16: £2,023,781).

Total School funds, including the Capital Reserve Fund, as at 31 March 2017 amounted to £6,600,027 as detailed in Annex C (£5,465,110 as at 31 March 2016), which represents an increase of £1,134,917 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 Budget Position compared to Revenue Outturn

1. Overall, net income before transfers for 2016/17 was £2,689,000 compared to an agreed net income budget of £2,255,000, representing an increase in net income of £434,000 (19%). 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 FREEMENS SCHOOL			
	Budget	Actual	Variation
Analysis of Service Expenditure	2016/17	2016/17	Better/ (Worse)
	£'000	£'000	2016/17
			£'000
INCOME			
School Meals & Tuck Shop	508	456	(52)
School tuition fees	13,843	13,724	(119)
Other tuition fees	193	223	30
Boarding Fees	597	542	(55)
Registration and Examination fees	144	157	13
Other	343	332	(11)
City Support (Annex A)	1,654	1,672	18
Total Income	17,282	17,106	(176)
EXPENDITURE			
Employees	(8,794)	(8,642)	152
Premises Related Expenses (note i)	(1,209)	(1,069)	140
Transport Related Expenses	(129)	(133)	(4)
Supplies & Services (note ii)	(2,397)	(2,051)	346
Staff Subsidy & Prizes	(200)	(235)	(35)
Scholarship Subvention Awards	(540)	(540)	-
Match Funding Awards	(41)	(29)	12
Support Services (Annex A)	(591)	(592)	(1)
Capital Charges (Annex A)	(1,126)	(1,126)	-
Total expenditure before transfers	(15,027)	(14,417)	610
TOTAL NET INCOME BEFORE TRANSFERS	2,255	2,689	434
TRANSFERS TO RESERVES			
Vehicle Replacement Fund	(25)	(25)	-
Repairs & Maintenance	(506)	(506)	-
Capital Reserve Fund	(1,618)	(2,052)	(434)
Total transfers	(2,149)	(2,583)	(434)
TOTAL NET EXPENDITURE AFTER TRANSFERS	106	106	-
General Fund Bal. b/fwd 1 April	573	573	-
General Fund Bal. c/fwd 31 March	679	679	-

Notes

- (i) Premises Related Expenses – includes energy costs, rates, water services, cleaning and domestic supplies.
- (ii) Supplies and Services – includes 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 £679,000 for 2016/17, with any excess transferred to the Capital Reserve Fund. In accordance with these guidelines, and the planned contribution required for the future funding of the Masterplan, the budget assumed a transfer to the Capital Reserve Fund of £1,618,000. However, due to the school benefiting from additional net income during the year, the transfer to the Capital Reserve was increased by £434,000 to £2,052,000 in accordance with the guidelines.
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 was £3,457,807 (31 March 2016: £2,023,781).
4. The main reasons for the variations summarised in Table 1, resulting in an increase in net income of £434,000 were:-

Lower expenditure of £610,000 largely due to:-

- i) a reduction in Supplies & Services expenditure of £346,000 mainly due to:-
 - a reduced requirement for equipment, furniture and materials of £182,000 as a result of:-
 - a reduction in equipment as i) the initial implementation of the digital strategy was more efficiently managed - £40,000; ii) the Design Technology department received a grant from parents leading to savings of £24,000; iii) the School Sports department improved the maintenance of existing equipment resulting in fewer new purchases saving £23,000; and iv) there were numerous other small monetary value budgeted requests for equipment not being required during the financial year by the staff; and
 - a different approach to the 'City Visit', resulting in a reduced requirement for materials as only two year groups rather than the whole school attended - £14,000.
 - a reduction in catering of £107,000 as a result of staffing efficiencies, fewer trading days and a reduction in the number of staff requiring lunch provision outside of term time; and
 - a reduction in advertising of £33,000 following the successful launch of the new website coupled with a different approach to the Ashtedian publication, that is, a small 10 page document rather than a 100 page book was published.
- ii) lower employee expenses of £152,000 due to a number of variations, with the main contributing factors being:
 - a reduction in administration staff costs of £95,000 as a result of a long term sick issue whereby the member of staff remained on zero pay although their return to work had been anticipated; coupled with delays to the restructure of the Technical Services department which had been budgeted for

- a reduction in maintenance staff costs of £72,000 following the delayed appointment of i) the Deputy Facilities Manager as a result of delays obtaining the required grade from the Job Evaluation team, and ii) one of the Maintenance Assistants following the need to advertise twice due to applicant quality.
- iii) a reduction in premises related expenses of £140,000 principally due to a reduction in rates of £88,000 as a result of the Music School rates still not being applied - this is currently being reviewed by the City advisors Gerald Eve; coupled with a reduction in energy costs of £64,000 following the closure of Philp House and a focus on energy efficiency across the School.

A decrease in income of £176,000, the main elements of which were:-

- iv) a reduction in tuition fee income of £119,000 following 6 fewer enrolments than budgeted and the loss of three pupils at Easter; and
- v) a reduction in boarding fees of £55,000 following 5 fewer boarders than budgeted.

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 increased by £1,134,917 from £5,465,110 to £6,600,027 at 31 March 2017. The main movements are as follows:-
- i) Unrestricted Fund net income, before transfers, of £2,689,036 as detailed in Table 1, which was used to partly offset the net expenditure, excluding transfers, charged to the designated funds, principally as follows:
 - ii) planned expenditure from the Repairs & Maintenance Fund of £910,916 in accordance with the agreed programme of works, offset by interest of £9,283; and
 - iii) planned expenditure from the Capital Reserve Fund of £630,134 on the School's Masterplan and supplementary revenue projects, offset by interest of £12,124.

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

6. 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:

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CITY SUPPORT

<u>City Support</u>	Budget	Actual	Variation Better/ (Worse) 2016/17 £'000
	2016/17 £'000	2016/17 £'000	
Scholarships			
General (note i)	540	540	-
2.5% Match Funding (note ii)	41	29	(12)
Total Scholarships	581	569	(12)
Support Services			
Information Systems	84	85	1
Chamberlain	76	90	14
Comptroller & City Solicitor	7	7	0
Town Clerk	93	117	24
City Surveyor	40	26	(14)
Corporate & Democratic Core (CDC)	16	7	(9)
Staff Insurance	46	35	(11)
Total Support Services	362	367	5
Capital Charges	1,101	1,101	-
Other support and adjustments			
Listed Building Subvention	50	50	-
City Procurement savings/(costs) (note iii)	(106)	(106)	-
Service Based Review Savings (note iv)	(196)	(196)	-
Freedom Fees (note v)	(138)	(113)	25
Total other support and adjustments	(390)	(365)	25
TOTAL CITY SUPPORT	1,654	1,672	18

Notes:

- i) City's Cash finances the equivalent of 34 full fee scholarships per annum – 6 full fee equivalent (FFE) in the junior school, 2 FFE in years 7 and 8 and 26 FFE in the Senior School.
- 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.
- iii) As a result of new contracts procured by the City's PP2P Team, expenditure by City Schools should generally be reduced. However, as agreed by the Chief Officers' Group in January 2012, such savings are 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

CITY SUPPORT

the Schools in a neutral resource position as the reduction in costs from the PP2P savings will be offset by a reduction in income through the City's Support. Should a contract procured by the PP2P 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 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 £196,000, excluding additional income from increases in tuition fees, for the City of London Freeman's School. These proposals have been phased £89,000 in 2016/17 with an additional £107,000 in 2017/18.
- v) Freedom fees were increased to £100 with effect from 1 April 2015 from £25 for Court of Alderman, Patrimony and Servitude applications, and from £30 for Court of Common Council Applications. All the income from Freedom ceremonies is allocated to the School. However, the Court of Common Council agreed that a sum equivalent to the additional income generated from the increase should be transferred from the School to the corporate centre. This transfer is made through a reduction to the City Support.

SUPPORT SERVICES AND CAPITAL FINANCING CHARGES

<u>Support Services and Capital Financing Charges</u>	Budget	Actual	Variation Better/ (Worse)
	2016/17 £'000	2016/17 £'000	2016/17 £'000
Support Services			
Information Systems (IS)	(84)	(85)	(1)
Chamberlain	(76)	(90)	(14)
Comptroller & City Solicitor	(7)	(7)	-
Town Clerk	(93)	(117)	(24)
City Surveyor	(40)	(26)	14
Corporate & Democratic Core (CDC)	(16)	(7)	9
Staff Insurance	(46)	(35)	11
Other Insurance	(74)	(72)	2
City Surveyor's Employee Recharge	(101)	(80)	21
CLPS Staff	(54)	(73)	(19)
Support Services Sub-Total	(591)	(592)	(1)
Capital Financing Charges	(1,126)	(1,126)	-
TOTAL SUPPORT SERVICES AND CAPITAL FINANCING CHARGES	(1,717)	(1,718)	(1)

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.

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 an 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.

- **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.

City of London Freeman's School
2016/17 Movement of Funds

	Balance 1st April 2016	Interest	Income	Expenditure	Transfer Between Funds	Balance 31st March 2017
Unrestricted						
Revenue Surplus	573,334	21,281	17,084,446	-14,416,691	-	3,262,370
Repairs & Maintenance	-	-	-	-	-506,000	-506,000
Vehicle Replacement	-	-	-	-	-25,000	-25,000
Capital Reserve Fund	-	-	-	-	-2,052,036	-2,052,036
	573,334	21,281	17,084,446	-14,416,691	-2,583,036	679,334
Designated						
Music Refurbishment Fund	9,808	56	-	-1,160	-	8,704
Foundation Bursary Fund	121,070	731	41,071	-250	-	162,622
General Scholarship Fund	102,580	620	540,000	-536,166	-	107,034
Repairs & Maintenance	1,941,473	9,283	-	-910,916	506,000	1,545,840
Retirement	70,501	426	-	-	-	70,927
Vehicle Purchase/Replacement Fund	29,458	69	10,000	-57,736	25,000	6,791
Junior School	4,824	34	5,696	-4,785	-	5,769
Capital Reserve	2,023,781	12,124	-	-630,134	2,052,036	3,457,807
Projects/Events	20,592	106	-	8,155	-	12,543
School Committee Funds	5,688	35	200	109	-	5,814
CLFS Development Fund	4,916	88	-	-	-	5,004
School Fund	8,130	18	11,873	-10,879	-	9,142
Ashtead Park Swimming Club	2,738	15	-	821	-	1,932
Charitable Donations	14,548	21	12,784	17,584	-	9,727
Music Concert Series	18	4	1,014	1,949	-	921
Comenius Project	3,238	30	5,627	-1,775	-	7,120
	4,363,363	23,610	628,265	-2,182,419	2,583,036	5,415,855
Restricted						
Livery Match Funding	159,921	-	-	-	-	159,921
Livery scholarships & Prizes	87,543	-	406,020	(429,595)	-	63,968
	247,464	-	406,020	429,595	-	223,889
Endowment						
2-18 St Brides	250,250	-	-	-	-	250,250
Sale of land & property	30,699	-	-	-	-	30,699
	280,949	-	-	-	-	280,949
Totals	5,465,110	44,891	18,118,731	(17,028,705)	-	6,600,027

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Committee	Date:	Item no.
Board of Governors of the City of London Freemen's School	Monday, 25 September 2017	
Subject: Draft Annual Report and Financial Statements for the year ended 31 March 2017 for the Charities Administered in connection with The City of London Freemen's School		Public
Report of: The Chamberlain		For Decision
Report author: Steven Reynolds, Chamberlain's Department		
<p>Charities Administered in connection with The City of London Freemen's School (charity number: 312120) Draft 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 a copy of the draft Annual Report and Financial Statements for the Charities Administered in connection with The City of London Freemen's School (charity number: 312120) for the year ended 31 March 2017, and an opportunity to consider whether part of the cash balance should be invested in the City of London Charities Pool. 2. During the year ended 31 March 2017 total funds increased by £23,497 (2015/16: total funds decreased by £4,373) to £191,968 (2015/16: £168,471). This movement comprised the following:- <ul style="list-style-type: none"> • a net gain on investments of £18,382 (2015/16: a net loss of £8,395); • investment income of £6,229 (2015/16: £5,422); • voluntary income of £6,040 (2015/16: voluntary income of £6,125); and • expenditure of £7,154 (2015/16: £7,525) relating to 230 book prizes (2015/16: 231 book prizes). 3. The charity's available cash balance at 31 March 2017 was £19,434. However, £6,862 of this balance was invested in the City of London Charities Pool on 1 April 2017, as agreed by the Board of Governors at its meeting on 2 February 2017, thereby reducing the cash balance to £12,572 as at 1 April 2017. 4. This report asks Governors to consider whether it wishes to make a further investment in the Charities Pool. Investment in the Charities Pool provide an opportunity to earn potentially higher returns than interest on cash balances (0.604% for 2016/17 and estimated to be less than 0.5% for 2017/18). 		

5. Expenditure from this charity over the previous three years is shown in the table below, an average of £7,373 per annum.

	2016/17	2015/16	2014/15
Income	12,269	11,547	11,341
Expenditure	7,154	7,525	7,441
Net Income/(Expenditure)	5,115	4,022	3,900
Cash Balance 31 March	19,434	29,318	25,296
Purchase of Charities Pool units	6,862	14,999	-
Cash Balance 1 April	12,572	14,319	25,296

6. It is suggested that sufficient cash be retained by the charity to cover one year's worth of expenditure. Therefore, based on the available cash as at 1 April 2017 of £12,572, less the average expenditure over the past three years of £7,373 it is recommended that a further investment of £5,199 in the Charities Pool is made.
7. The next review of the available cash balance will be presented to this Board in June 2018, in time to meet the 1 October deadline for investment or disinvestment in the Pool, should this be required.

Recommendations

8. It is recommended that Governors:
- receive the draft 2016/17 Annual Report and Financial Statements for the Charities Administered in connection with The City of London Freemen's School (charity number: 312120);
 - endorse that cash of £5,199 be invested in the Charities Pool on 1 October 2017; and
 - note that the next review of the available cash balance will be presented to the June 2018 Board meeting.

Contact:

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 Group Accountant
 Chamberlain's Department
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***CHARITIES ADMINISTERED IN CONNECTION WITH (ICW)
THE CITY OF LONDON FREEMEN'S SCHOOL***

***REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017***

Charity Number: 312120

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

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

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

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

1. Reference and Administration Details

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

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

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

Trustee

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

Policies and Procedures for the Induction and Training of Trustees

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

CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

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

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

Related Parties

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

Risk identification

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

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

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

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

3. Objectives and Activities for the Public Benefit

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

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

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

Trustee's Annual Report (continued)

4. Achievements and Performance

The school awarded 230 book prizes during the year (2015/16: 231).

5. Financial Review

During the year ended 31 March 2017 total funds increased by £23,497 (2015/16: total funds decreased by £4,373) to £191,968 (2015/16: £168,471). This movement comprised the following:-

- i) a net gain on investments of £18,382 (2015/16: net loss of £8,395);
- ii) income of £12,269 (2015/16: £11,547) which comprised investment income of £6,229 (2015/16: £5,422) voluntary income of £6,040 (2015/16: £6,125); and
- iii) expenditure of £7,154 (2015/16: £7,525) relating to 230 book prizes (2015/16: 231 book prizes).

Going Concern

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

Reserves Policy

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

Investment Policy

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

6. Plans for Future Periods

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

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

Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities

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

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

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

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

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

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

Jamie Ingham
Deputy Chairman of
Finance Committee

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

We have audited the financial statements of The Charities Administered In Connection With The City of London Freeman's School for the year ended 31 March 2017 which are set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 145 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 Year End and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

Matters on which we are required to report by exception

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

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

Date

Moore Stephens LLP

Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

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

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

Statement of Financial Activities for the year ended 31 March 2017

	Note	Restricted Fund £	Endowment Fund £	Total Funds 2016/17 £	Total Funds 2015/16 £
Income and endowments from:					
Donations and legacies		6,040	-	6,040	6,125
Income from investments					
Managed investment income		6,126	-	6,126	5,294
Interest receivable		103	-	103	128
Total income and endowments	3	<u>12,269</u>	-	<u>12,269</u>	<u>11,547</u>
Expenditure on:					
Charitable activities					
Scholarships and prizes awarded		7,154	-	7,154	7,525
Total expenditure	4	<u>7,154</u>	-	<u>7,154</u>	<u>7,525</u>
Net gains/(losses) on investments	7	18,009	373	18,382	(8,395)
Net income/(expenditure)		<u>23,124</u>	373	<u>23,497</u>	<u>(4,373)</u>
Transfers between funds		-	-	-	-
Other recognised gains/(losses)		-	-	-	-
Net movement in funds		<u>23,124</u>	373	<u>23,497</u>	<u>(4,373)</u>
Reconciliation of funds					
Total funds brought forward	9	155,347	13,124	168,471	172,844
Total funds carried forward	9	<u>178,471</u>	13,497	<u>191,968</u>	<u>168,471</u>

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

All incoming resources and resources expended derive from continuing activities.

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

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed Assets			
Managed Investments – 19,786 Charities Pool Units	7	172,534	139,153
Current Assets			
Cash at bank and in hand		19,434	29,318
Total Assets	8	191,968	168,471
The funds of the charity:			
Restricted Fund		178,471	155,347
Endowment Fund		13,497	13,124
Total funds	9	191,968	168,471

Approved and signed for and on behalf of the Trustee

The notes at pages 10 to 15 form part of these accounts.

Dr Peter Kane
Chamberlain of London
15 November 2017

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

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.

(b) ***Going Concern***

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

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

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

(d) ***Income Recognition***

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

(e) ***Investment Income***

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

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

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

1. Accounting Policies (continued)

(f) ***Expenditure Recognition***

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

(g) ***Investments***

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

(h) ***Fund Accounting***

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

2. Tax Status of the Charity

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

3. Incoming Resources

Incoming resources are analysed as follows:

	2016/17	2015/16
	£	£
Voluntary Income		
Donations	6,040	6,125
Investment Income		
Managed Investment Income	6,126	5,294
Interest Receivable	103	128
Total Incoming Resources	12,269	11,547

Investment Income

Consists of income derived from the investments in the City of London Corporation's Charities Pool noted in 1(e) and interest received on cash balances which amounted to £6,229 (2015/16: £5,422).

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

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

4. Resources Expended

Resources expended are analysed as follows:-

	2016/17	2015/16
	£	£
Charitable Activities		
Prizes Awarded	7,154	7,525
Total Resources Expended	7,154	7,525

Charitable activities

Charitable activities consist of 230 book prizes awarded to individuals amounting to £7,154 (2015/16: 231 book prizes amounting to £7,525).

5. Support and Governance Costs

Staff numbers and costs

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

Auditor's remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustees' expenses

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

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

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

7. Investment assets

The value and cost of investments are comprised as follows:

	Restricted Fund	Endowment Fund	Total 2017	Total 2016
	£	£	£	£
Market Value 1 April	136,029	3,124	139,153	147,548
Purchase of Charities Pool Units (1)	14,999	-	14,999	-
Net investment gains	18,009	373	18,382	(8,395)
Market value 31 March	169,037	3,497	172,534	139,153
Cost when purchased	98,265	5,133	103,398	88,399
Units in Charities Pool (Units)	19,385	401	19,786	17,863

(1) As agreed by the Board of Governors of the City of London Freemen's School Board at their meeting on 5 October 2015, cash of £15,000 was to be invested in The City of London Charities Pool at the next available opportunity. Accordingly, a total of 1,923 units were purchased at £7.80 per unit on 1 April 2016.

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

	2017 £	2016 £
Equities:		
UK	134,322	102,891
Overseas	24,272	21,171
Bonds: UK	948	3,726
Pooled Units: UK	8,549	5,782
Cash Held By Fund Manager	4,443	5,583
Total Funds	172,534	139,153

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%

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

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

8. Analysis of net assets by fund at 31 March 2017

	Restricted Fund	Endowment Fund	Total 2017	Total 2016
	£	£	£	£
Fixed Assets				
Investments	169,037	3,497	172,534	139,153
Total Fixed Assets	169,037	3,497	172,534	139,153
Current Assets	9,434	10,000	19,434	29,318
Total Net Assets	178,471	13,497	191,968	168,471

9. 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	155,347	12,269	(7,154)	-	18,009	178,471
Endowment Fund:						
Permanent	13,124	-	-	-	373	13,497
Total Funds	168,471	12,269	(7,154)	-	18,382	191,968

Notes to the funds:

Restricted Fund

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

Endowment Fund - Permanent

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.

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

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 Charities Administered ICW the City of London Freeman's School. A full list of these Trusts is available on application to the Chamberlain of London.

The Trust has investments in the City of London Charities Pool. Investment income from the Charities Pool in 2016/17 amounted to £6,126 (2015/16: £5,294).

11. Subsequent events after the balance sheet date

As agreed by the Board of Governors of the City of London Freeman's School Board at its meeting on 2 February 2017, cash of £6,860 be invested in the City of London Charities Pool at the next available opportunity. Accordingly, a total of 786 units were purchased at £8.73 per unit in April 2017.

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

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Committee	Date:	Item no.
Board of Governors of the City of London Freemen's School	Monday, 25 September 2017	
Subject: The City of London Freemen's School Bursary Fund Draft Annual Report and Financial Statements for the year ended 31 March 2017		Public
Report of: The Chamberlain		For Decision
Report author: Steven Reynolds, Chamberlain's Department		
<p>The City of London Freemen's School Bursary Fund Draft 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 a copy of the draft Annual Report and Financial Statements for the City of London Freemen's School Bursary Fund (charity number: 284769) for the year ended 31 March 2017, and an opportunity to consider whether part of the cash balance should be invested in the City of London Charities Pool. 2. During the year ended 31 March 2017 total funds increased by £123,843 (2015/16: total funds decreased by £14,307) to £915,464 (2015/16: £791,621). This movement comprised the following:- <ul style="list-style-type: none"> • a net gain on investments of £89,293 (2015/16: a net loss of £42,147); • investment income of £30,142 (2015/16: £27,102); • voluntary income of £16,768 (2015/16: voluntary income of £37,612); and • expenditure on charitable activities of £12,360 (2015/16: £36,874) which was made up of two bursary awards (2015/16: four bursary awards) amounting to £11,464 (2015/16: £35,977) and bursary administration costs of £896 (2015/16: £897). 3. The charity's available cash balance at 31 March 2017 was £81,442. However, £28,696 of this balance was invested in the City of London Charities Pool on 1 April 2017, as agreed by the Board of Governors at its meeting on 2 February 2017, thereby reducing the cash balance to £52,746 as at 1 April 2017. 4. This report asks Governors to consider whether it wishes to make a further investment in the Charities Pool. Investment in the Charities Pool provide an opportunity to earn potentially higher returns than interest on cash balances (0.604% for 2016/17 and estimated to be less than 0.5% for 2017/18). 		
<p>Page 49</p>		

5. Expenditure from this charity over the previous three years is shown in the table below, an average of £23,982 per annum.

	2016/17	2015/16	2014/15
	£	£	£
Income	46,910	64,714	43,430
Expenditure	12,360	36,874	22,711
Net Income/(Expenditure)	34,550	27,840	20,719
Cash Balance 31 March	81,442	105,061	72,575
Purchase of Charities Pool units	28,696	49,998	-
Cash Balance 1 April	52,746	55,063	72,575

6. It is suggested that sufficient cash be retained by the charity to cover one year's worth of expenditure. Therefore, based on the available cash as at 1 April 2017 of £52,746, less the average expenditure over the past three years of £23,982, it is recommended that a further investment of £28,764 in the Charities Pool is made.
7. The next review of the available cash balance will be presented to this Board in June 2018, in time to meet the 1 October deadline for investment or disinvestment in the Pool, should this be required.

Recommendations

8. It is recommended that Governors:
- receive the draft 2016/17 Annual Report and Financial Statements for the City of London Freemen's School Bursary Fund;
 - endorse that cash of £28,764 be invested in the Charities Pool on 1 October 2017; and
 - note that the next review of the available cash balance will be presented to the June 2018 Board meeting.

Contact:

Steven Reynolds

Group Accountant

Chamberlain's Department

Tel: 020 7332 1382

steven.reynolds@cityoflondon.gov.uk

***CITY OF LONDON FREEMEN'S SCHOOL
BURSARY FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017***

Charity Number: 284769

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

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CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

1. Reference and Administration Details

Charity Name	City of London Freemen's School Bursary Fund
Registered Charity Number:	284769
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

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

Trustee

The body corporate known as The City of London Corporation is the Trustee of The City of London Freemen's School Bursary Fund, acting through the Board of Governors of The City of London Freemen's School.

Policies and Procedures for the Induction and Training of Trustees

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The charity is administered 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.

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.

Related Parties

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

Risk identification

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

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

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

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

3. Objectives and Activities for the Public Benefit

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

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

Grant Making Policy

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.

4. Targets, Achievements and Performance for 2016/17

The target for 2016/17 was to continue to contribute towards fees of pupils where financial hardship would cause the pupil to be unable to enter or continue at the School. In line with this, two bursaries (2015/16: four bursaries) were awarded during the year amounting to £11,464 (2015/16: £35,977).

5. Financial Review

During the year ended 31 March 2017 total funds increased by £123,843 (2015/16: total funds decreased by £14,307) to £915,464 (2015/16: £791,621). This movement comprised the following:-

- i) a net gain on investments of £89,293 (2015/16: a net loss of £42,147);
- ii) investment income of £30,142 (2015/16: £27,102);
- iii) voluntary income of £16,768 (2015/16: voluntary income of £37,612); and
- iv) expenditure on charitable activities of £12,360 (2015/16: £36,874) which was made up of two bursary awards (2015/16: four bursary awards) amounting to £11,464 (2015/16: £35,977) and bursary administration costs of £896 (2015/16: £897).

Going Concern

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

5. Financial Review (continued)

Reserves Policy

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

Investment Policy

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

6. Plans for Future Periods

The objective for 2017/18 is to continue to contribute towards the fees payable to the School of pupils, who, but for financial assistance, would not be able to continue at or enter the School.

7. 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 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Independent Auditor's Report to the Trustees of The City of London Freeman's School Bursary Fund

We have audited the financial statements of The City of London Freeman's School Bursary Fund for the year ended 31 March 2017 which are set out on pages 9 to 16. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 145 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 Year End 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Independent Auditor's Report to the Trustees of The City of London Freeman's School Bursary Fund (continued)

Matters on which we are required to report by exception

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

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

Date

Moore Stephens LLP

Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Statement of Financial Activities for the year ended 31 March 2017

	Note	Endowment Fund £	Total Funds 2016/17 £	Total Funds 2015/16 £
Income and endowments from:				
Donations and legacies		16,768	16,768	37,612
Income from investments				
Managed investment income		29,747	29,747	26,579
Interest receivable		395	395	523
Total income and endowments	3	<u>46,910</u>	<u>46,910</u>	<u>64,714</u>
Expenditure on:				
Charitable activities				
Bursaries awarded	4	11,464	11,464	35,977
Bursary administration	4 & 5	896	896	897
Total expenditure	4	<u>12,360</u>	<u>12,360</u>	<u>36,874</u>
Net gains/(losses) on investments	7	89,293	89,293	(42,147)
Net income/(expenditure)		<u>123,843</u>	<u>123,843</u>	<u>(14,307)</u>
Transfers between funds		0	0	0
Other recognised gains/(losses)		0	0	0
Net movement in funds		<u>123,843</u>	<u>123,843</u>	<u>(14,307)</u>
Reconciliation of funds				
Total funds brought forward	9	791,621	791,621	805,928
Total funds carried forward	9	<u>915,464</u>	<u>915,464</u>	<u>791,621</u>

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

All incoming resources and resources expended derive from continuing activities.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed Assets			
Managed Investments – 96,083 Charities Pool Units	7	<u>837,843</u>	<u>698,552</u>
Current Assets			
Cash at bank and in hand		81,442	105,061
Creditors: amounts falling due within one year	8	<u>(3,821)</u>	<u>(11,992)</u>
Net Current Assets	8	77,621	93,069
Total Assets less Current Liabilities		<u>915,464</u>	<u>791,621</u>
The funds of the charity:			
Endowment Fund		<u>915,464</u>	<u>791,621</u>
Total funds	9	<u>915,464</u>	<u>791,621</u>

Approved and signed for and on behalf of the Trustee

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

Dr Peter Kane
Chamberlain of London
15 November 2017

CITY OF LONDON FREEMEN'S SCHOOL BURSARY 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, *Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102)* and the Charities Act 2011.

(b) ***Going Concern***

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

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

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

(d) ***Income Recognition***

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

(e) ***Investment Income***

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

(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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

1. Accounting Policies (continued)

(g) **Bursaries Awarded**

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

(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 loss on investments at the balance sheet date is included in the Trust's funds.

(i) **Fund Accounting**

The charity comprises a single Endowment Fund which is expendable.

2. Tax Status of the Charity

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

3. Incoming Resources

Incoming resources are analysed as follows:

	2016/17	2015/16
	£	£
Voluntary Income		
Donations	16,768	37,612
Investment Income		
Managed investment income	29,747	26,579
Interest received	395	523
Total Incoming Resources	46,910	64,714

Investment Income:

Consists of income derived from the investments in the City of London Corporation's Charities Pool noted in 1(e) and interest received on cash balances which amounted to £30,142 (2015/16: £27,102).

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

4. Resources Expended

Resources expended are analysed as follows:

	2016/17	2015/16
	£	£
Charitable Activities		
Bursaries Awarded	11,464	35,977
Bursary Administration	896	897
Total Resources Expended	12,360	36,874

Charitable activities

Two bursary awards were made during the year (2015/16: four bursary awards were made during the year). Included in the charitable activities are bursary administration costs (refer to note 5 below for details of these).

5. Support and Governance Costs

Staff numbers and costs

The charity does not employ any staff. Officers of the City of London Corporation provide administrative assistance to the charity when required, but this is not considered material and is not separately calculated by the City of London Corporation. However, some administration services concerned with Bursary Administration are directly charged to the charity. Such costs charged to the fund in 2016/17 amounted to £896 (2015/16: £897).

Auditor's remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustee expenses

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

7. Investment Assets

The value and cost of investments is comprised as follows:

	Endowment Fund	
	2017	2016
	£	£
Market Value 1 April	698,552	740,699
Purchase of Charities Pool units (1)	49,998	-
Net investment gains	89,293	(42,147)
Market value 31 March	837,843	698,552
Cost when purchased	544,746	494,748
Units in Charities Pool (Units)	96,083	89,673

(1) As agreed by the Board of Governors of the City of London Freeman's School Board at its meeting on 5 October 2015, cash of £50,000 was to be invested in The City of London Charities Pool at the next available opportunity. Accordingly, a total of 6,410 units were purchased at £7.80 per unit on 1 April 2016.

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

	2017	2016
	£	£
Equities:		
UK	652,281	516,517
Overseas	117,866	106,278
Bonds UK	4,607	18,702
Pooled Units: UK	41,514	29,027
Cash Held By Fund Manager	21,575	28,028
Total Funds	837,843	698,552

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%

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

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

	Endowment Fund	Total 2017	Total 2016
	£	£	£
Fixed Assets			
Investments	837,843	837,843	698,552
Total Fixed Assets	837,843	837,843	698,552
Current Assets	81,442	81,442	105,061
Current Liabilities (1)	(3,821)	(3,821)	(11,992)
Net Current Assets	77,621	77,621	93,069
Total Assets	915,464	915,464	791,621

(1) Current liabilities represent bursaries awarded by the Trust for the Summer term 2017.

9. Summary of funds and movements during the year to 31 March 2017

	Fund Balance Brought Forward	Income	Expenditure	Transfers	Gains and Losses	Fund balance carried forward
	£	£	£	£	£	£
Endowment Fund:						
Expendable	791,621	46,910	(12,360)	-	89,293	915,464
Total Funds	791,621	46,910	(12,360)	-	89,293	915,464

Notes to the Funds:

Expendable Endowment Fund

The purpose of this fund is to provide support to students in the form of bursaries. Planned use comprises of the distribution of bursary awards, with any surplus income carried forward to be used in subsequent years. Awards are funded by donations and any income generated from The City of London Charities Pool as a result of the investment of such donations.

10. Details of related parties and wider networks

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

The Fund has investments in the City of London Charities Pool. Investment income from the Charities Pool in 2016/17 amounted to £29,747 (2015/16: £26,579).

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

11. Subsequent events after the balance sheet date

As agreed by the Board of Governors of the City of London Freeman's School Board at its meeting on 2 February 2017, cash of £28,696 be invested in the City of London Charities Pool at the next available opportunity. Accordingly, a total of 3,287 units were purchased at £8.73 per unit in April 2017.

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