Public Document Pack

Finance & Estates Committee of the Board of Governors of the City of London School

Date: **WEDNESDAY, 26 SEPTEMBER 2018**

Time: **10.00 am**

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

Members: Tim Levene (Chairman)
Deputy James Thomson
Alexander Barr
Deputy Keith Bottomley
Deputy Edward Lord

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

NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **TERMS OF REFERENCE**
To receive the Committee's terms of reference as set by the Board of Governors at its 14 June 2018 meeting.

For Information
(Pages 1 - 2)

4. **MINUTES**
To agree the public minutes and non-public summary of the meeting held on 23 May 2018.

For Decision
(Pages 3 - 4)

5. **RISK REGISTER 2017 -18 FOR: THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND AND THE CITY OF LONDON SCHOOL EDUCATION TRUST**
Joint Report of the Chamberlain and the Bursar.

For Decision
(Pages 5 - 14)

6. **THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND - ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**
Report of the Chamberlain.

For Information
(Pages 15 - 38)

7. **CITY OF LONDON SCHOOL EDUCATION TRUST - DRAFT 2017/18 ANNUAL REPORT AND FINANCIAL STATEMENTS**
Report of the Chamberlain.

For Information
(Pages 39 - 56)

8. **REVENUE OUTTURN 2017/18**
Joint Report of the Chamberlain and the Head.

For Information
(Pages 57 - 68)

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

Part 2 - Non-Public Agenda

11. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 23 May 2018.

For Decision
(Pages 69 - 72)

12. **OUTSTANDING ACTIONS**
Report of the Town Clerk.

For Information
(Pages 73 - 74)

13. **BURSARY REPORT**
Report of the Bursar.

For Information
(Pages 75 - 78)

14. **ESTATES REPORT**
Report of the Head.

For Information
(Pages 79 - 82)

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

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

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Finance and Estates Committee Composition, Quorum and Terms of Reference 2018/19

Composition

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

Quorum

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

Terms of Reference

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

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

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

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

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

Wednesday, 23 May 2018

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

Present

Members:
Deputy James Thomson (in the Chair)
Alexander Barr
Deputy Keith Bottomley
Deputy Edward Lord

Officers:

Alan Bird	-	Head
Dr Richard Brookes	-	Senior Deputy Head
Charles Griffiths	-	Bursar
Alistair MacLellan	-	Town Clerk's Department

1. **APOLOGIES**
   Apologies were received from Ian Seaton. Deputy James Thomson was in the chair.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
   There were no declarations.

3. **MINUTES**
   RESOLVED, that the public minutes and non-public minutes of the meeting held on 27 February 2018 be approved as a correct record.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
   There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
   There was no other business.

6. **NON-PUBLIC MINUTES**
   RESOLVED, that the non-public minutes of the meeting held on 27 February 2018 be approved as a correct record.

7. **ACTIONS SHEET**
   Governors considered a report of the Town Clerk regarding actions arising from previous meetings.

8. **MAIN REPORT**
Governors considered a report of the Bursar.

9. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no questions.

10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other business.

The meeting closed at 10.55 am

Chairman

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

Committee(s):	Date:
Finance & Estates Sub-Committee of the Board of Governors of the City of London School	26 September 2018
Board of Governors of the City of London School	17 October 2018
Subject: Risk Register 2017 -18 for: The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust	**Public**
Report of: The Chamberlain and The Bursar of The City of London School	**For Decision**
Report author: Steven Reynolds, Chamberlain's Department.	

Summary

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

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

Recommendations

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

Main Report

Background

1. This report provides a key risks register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust administered by the Board of Governors of the City of London School on behalf of the trustee (the City of London Corporation).

2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.

3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report.

5. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund is set out in Appendix 2. This contains seven risks as summarised below:

    1. Income from investments may decline – overall risk score of amber (12);
    2. Awards may not comply with objectives – overall risk score of green (1);
    3. Applicants do not disclose full details – overall risk score of green (3);
    4. Insufficient beneficiaries – overall risk score of green (4);
    5. Charity lacks direction, strategy, and forward planning – overall green (4);
    6. Conflicts of interest – overall risk score of green (1); and
    7. Loss of staff – overall risk score of green (3).

    Mitigation of amber risks

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

6. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Education Trust is set out in Appendix 2. This contains four risks as summarised below:

1. Awards may not comply with objectives – overall risk score of green (1);
2. Charity lacks direction, strategy, and forward planning – overall green (4);
3. Conflicts of interest – overall risk score of green (1); and
4. Loss of staff – overall risk score of green (3).

7. Each risk has been considered by the responsible officer within the Corporation who is referred to as the ‘Risk Owner’ in each register.

8. No new risks have been identified, and the risk scores remain unchaged to those presented to this Board last year.

Conclusion

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

Appendices

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

Contacts:

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Appendix 1

CITY LONDON

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

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

(A) Likelihood criteria

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

(B) Impact criteria

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

(C) Risk scoring grid

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

(D) Risk score definitions

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

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

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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

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

Appendix 2

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

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

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Committee(s):	Date(s):	Item no.
Finance & Estates Sub-Committee of the Board of Governors of the City of London School	26 September 2018	
Board of Governors of the City of London School	17 October 2018	
Subject: The City of London School Bursary Fund incorporating The City of London School Scholarships & Prizes Fund - Annual Report and Financial Statements for the year ended 31 March 2018	**Public**	
Report of: The Chamberlain	**For Information**	

Annual Report and Financial Statements for the year ended 31 March 2018

1. This report provides Governors with the Annual Report and Financial Statements for the year ended 31 March 2018 of The City of London School Bursary Fund (charity 1) incorporating The City of London School Scholarships & Prizes Fund (charity 2) for information.
2. The governing scheme approved by the Charity Commission for England and Wales on 1 December 2011 directs that The City of London School Scholarships & Prizes Fund (charity number: 276654-1) shall be treated as forming part of The City of London School Bursary Fund (charity number: 276654) solely for the purpose of Part II (registration) and Part VI (accounting) of the Charities Act 2011.
3. During the year ended 31 March 2018 total funds increased by £152,595 (2016/17: total funds increased by £416,171) to £4,023,277 (2016/17: £3,870,682). This increase comprised the following:-

    i) a net gain on investments of £28,517 (2016/17: a net gain of £338,670);

    ii) investment income of £126,621 (2016/17: £116,971) and donations and legacies of £20,590 (2016/17: £1,999); and

    iii) expenditure on charitable activities of £23,133 (2016/17: £41,469) which was largely made up of three bursary awards and one prize (2016/17: two bursary awards and 217 scholarships & prizes).

Cash Available as at 31 March 2018

4. Total cash held as at 31 March 2018 was £234,934 (2016/17: £704,317).

5. In addition, as agreed by Governors on 14 June 2018, a further investment of £44,000 was made in the City of London Charities Pool on 1 October 2018.

Recommendations

6. It is recommended that Governors receive the Annual Report and Financial Statements for the year ended 31 March 2018 for information.

Contact:
Steven Reynolds, Group Accountant
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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

of

THE CITY OF LONDON SCHOOL BURSARY FUND
(charity number: 276654)

INCORPORATING

THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND
(charity number: 276654-1)

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

Trustee’s Annual Report and Financial Statements
for the year ended 31 March 2018

Contents

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

Trustee's Annual Report for the year ended to 31 March 2018

1. Reference and Administration Details

Charity Names:	The City of London School Bursary Fund 'charity 1' incorporating: The City of London School Scholarships & Prizes Fund 'charity 2'.
Registered Charity Numbers:	The City of London School Bursary Fund: 276654 The City of London School Scholarships & Prizes Fund: 276654-1
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

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

2. Structure, Governance and Management (continued)

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

Trustee

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

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

Policies and Procedures for the Induction and Training of Trustees

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

Organisational structure and decision making process

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

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

Related Parties

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

Risk identification

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

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

Trustee's Annual Report (continued)

applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to elected Members and officers.

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

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

3. Objectives and Activities for the Public Benefit

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

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

(1) would not be able to enter the School having been accepted; or

(2) having commenced education at the School would not be able to continue their education at the School.

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

The object of the charity is to further the education (including physical training) of pupils attending the School, former pupils of the School or pupils of other schools with whom the School has cooperated under clause 7(11) of this Scheme, by the provision of scholarships, prizes or other suitable rewards or marks of distinction.

The charity has established its grant making policy to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria.

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

4. Targets, Achievements and Performance for 2017/18

The aim for the City of London School Bursary Fund (charity 1) during 2017/18 was to continue to contribute towards the fees payable to the School of pupils who but for financial assistance, having commenced at the School, would be unable to continue at, or to enter the School having been accepted. Three bursaries (2016/17: two bursaries) were awarded during the year amounting

Trustee's Annual Report (continued)

to £22,309 (2016/17: £23,449). There were no contributions in the year towards the costs of uniforms or school trips for pupils who were in receipt of bursaries (2016/17: £0).

The aim for the City of London School Scholarships and Prizes Fund (charity 2) during 2017/18 was to continue to assist children to study various subjects at the School and to assist in further education. In line with this aim, the School allocated one prize in the year (2016/17: 217 prizes and scholarships) amounting to £530 (2016/17: £17,726) from this fund. For administrative purposes, the majority of Prizes awarded in 2017-18 were funded from other sources whilst the School reviews its Scholarships and Prizes funding.

5. Financial Review

During the year ended 31 March 2018 total funds increased by £152,595 (2016/17: total funds increased by £416,171) to £4,023,277 (2016/17: £3,870,682). This movement comprised the following:-

i) a net gain on investments of £28,517 (2016/17: a net gain of £338,670);

ii) investment income of £126,621 (2016/17: £116,971) and donations of £20,590 (2016/17: £1,999); and

iii) expenditure on charitable activities of £23,133 (2016/17: £41,469) which was largely made up of three bursary awards and one prize (2016/17: two bursary awards and 217 scholarships and prizes). Further prizes were awarded but were funded by the school's budget.

Going Concern

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

Reserves Policy

The Reserves Policy is to maintain the restricted and endowment funds of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income in accordance with the objectives of the charity. The income arising from these investments is distributed in accordance with the objectives outlined in section 3.

Investment Policy

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

6. Plans for Future Periods

The aims for 2018/19 are:

i) for The City of London School Bursary Fund (charity 1) to continue to contribute towards pupils' fees, in accordance with the School's means tested Bursary programme, and where financial hardship would cause the pupils to be unable to continue at the School, and to contribute to the cost of uniforms, school trips etc. for pupils from disadvantaged backgrounds; and

ii) for The City of London School Scholarships and Prizes Fund (charity 2) to continue to assist children to study various subjects at the School, or to assist in further education. The School will continue to fund some of the larger annual prizes that it awards.

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

Trustee's Annual Report (continued)

8. Adopted and signed for on behalf of the Trustee on 13 November 2018.

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

Jamie Ingham Clark
Deputy Chairman of
Finance Committee

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

Opinion

We have audited the financial statements of The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to

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

the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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.

Nick Bennett, *Senior Statutory Auditor*
For and on behalf of 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

Date:

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

Statement of Financial Activities for the year ended 31 March 2018

	Note	Unrestricted Fund	Restricted Fund	Endowment Fund	**Total Funds 2017/18**	Total Funds 2016/17
		£	£	£	**£**	£
Income and endowments from:						
Donations		-	-	20,590	**20,590**	1,999
Income from investments						
Managed investment income		3,050	2,939	119,490	**125,479**	113,078
Interest receivable		329	335	478	**1,142**	3,893
Total income and endowments	3	3,379	3,274	140,558	**147,211**	118,970
Expenditure on:						
Charitable activities						
Bursaries awarded		-	-	22,309	**22,309**	23,449
Prizes awarded		-	180	350	**530**	17,726
Support costs – bursaries	5	-	-	294	**294**	294
Total expenditure	4	-	180	22,953	**23,133**	41,469
Net gains/(losses) on investments	7	36	(63)	28,544	**28,517**	338,670
Net income/(expenditure)		3,415	3,031	146,149	**152,595**	416,171
Transfers between funds		**-**	**-**	**-**	-	-
Other recognised gains/(losses)		**-**	**-**	**-**	-	-
Net movement in funds		3,415	3,031	146,149	**152,595**	416,171
Reconciliation of funds						
Total funds brought forward	9	123,087	140,399	3,607,196	**3,870,682**	3,454,511
Total funds carried forward	9	126,502	143,430	3,753,345	**4,023,277**	3,870,682

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

All incoming resources and resources expended derive from continuing activities.

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

Balance Sheet as at 31 March 2018

	Note	**2018**	2017
		£	£
Fixed Assets			
Managed Investments	7	**3,802,286**	3,175,484
Current Assets			
Cash at bank and in hand		**234,934**	704,317
Creditors: amounts falling due within one year	8	**(13,943)**	(9,119)
Net Current Assets		**220,991**	695,198
Total Assets less Current Liabilities	8	**4,023,277**	3,870,682
The funds of the charity			
Unrestricted Designated Fund		**126,502**	123,087
Restricted Fund		**143,430**	140,399
Expendable Endowment Fund		**3,455,641**	3,312,198
Permanent Endowment Fund		**297,704**	294,998
Total funds	9	**4,023,277**	3,870,682

Approved and signed for and on behalf of the Trustee.

The notes at pages 13 to 21 form part of these accounts.

Dr Peter Kane
Chamberlain of London
13 November 2018

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies

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

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

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

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

(b) ***Going Concern***

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

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

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

(d) ***Income Recognition***

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

(e) ***Investment income***

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

(f) ***Expenditure Recognition***

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

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies (continued)

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

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

(h) ***Investments***

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

(i) ***Fund Accounting***

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

2. Tax Status of the Charity

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

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

3. Incoming Resources from Generated Funds

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

	Charity 1 Bursary Fund	Charity 2 Scholarships & Prizes Fund	**Total 2017/18**	Total 2016/17
	£	£	**£**	£
Donations	20,390	200	**20,590**	1,999
Investment Income				
Managed investment income	91,201	34,278	**125,479**	113,078
Interest receivable	874	268	**1,142**	3,893
Total Incoming Resources	112,465	34,746	**147,211**	118,970

Donations:
Donations totalling £20,590 were received during the year (2016/17: £1,999) .

Notes to the Financial Statements for the year ended 31 March 2018

3. Incoming Resources from Generated Funds (continued)

Investment Income:

Income for the year derived from the investments in The City of London Charities Pool amounting to £125,479 (2016/17: £113,078) noted in 1(e) and interest received on cash balances of £1,142 (2016/17: £3,893).

4. Resources Expended

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

	Charity 1 Bursary Fund	Charity 2 Scholarships & Prizes Fund	**Total 2017/18**	Total 2016/17
	£	£	**£**	£
Charitable Activities				
Bursaries Awarded	19,520	2,789	**22,309**	23,449
Scholarships & Prizes Awarded	350	180	**530**	17,726
Support Costs – bursaries	294	-	**294**	294
Total Resources Expended	20,164	2,969	**23,133**	41,469

Charitable activities consist of:

i) Three bursaries (2016/17: two bursaries) were awarded during the year amounting to £22,309 (2016/17: £23,449). The bursaries were awarded to individuals and therefore specific details cannot be disclosed;

ii) One prize was awarded amounting to £530 (2016/17: 217 scholarships and prizes amounting to £17,726). The prize was awarded to an individual and therefore specific details cannot be disclosed;

iii) support costs for bursary administration of £294 were charged by the City of London Corporation during the year (see note 5 below) (2016/17: £294).

5. Support and Governance Costs

Staff numbers and costs

The charity does not employ any staff. Officers of the City of London Corporation provide administrative assistance to the charity when required, but this is not considered material and is not separately calculated by the City of London Corporation. There are however some specific administration services concerned with Bursary Administration which are charged directly to the charities. The charge in 2017/18 amounted to £294 (2016/17: £294).

Notes to the Financial Statements for the year ended 31 March 2018

Auditor's remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustee's expenses

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

7. Investment Assets

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

	Endowment Fund	**Total 2018**	Total 2017
	£	**£**	£
Charity1 – Bursary Fund			
Market Value 1 April	2,312,396	**2,312,396**	2,065,760
Purchase of Charities Pool units (1)	428,772	**428,772**	-
Net Investment Gain	20,870	**20,870**	246,636
Market Value 31 March	2,762,038	**2,762,038**	2,312,396
Units in Charities Pool	313,868	**313,868**	265,183
Charity 2 – Scholarships and Prizes Fund			
Market Value 1 April	863,088	**863,088**	771,054
Purchase of Charities Pool units (1)	169,513	**169,513**	
Net Investment Gain	7,647	**7,647**	92,034
Market Value 31 March	1,040,248	**1,040,248**	863,088
Units in Charities Pool	118,210	**118,210**	98,768
Total Market Value 31 March	3,802,286	**3,802,286**	3,175,484
Total Cost when purchased	2,385,166	**2,385,166**	1,786,880
Units in Charities Pool	432,078	**432,078**	364,161

(1) The School's Board of Governors agreed at its meetings on 17 October 2016 and 15 June 2017 that cash of £502,746 and £95,526 respectively would be invested in The City of London Charities Pool. Accordingly, a total of 57,590 units were purchased at £8.73 per unit

Notes to the Financial Statements for the year ended 31 March 2018

on 1 April 2017 and a total of 10,327 units were purchased at £9.25 per unit on 1 October 2017.

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

	2018 **£**	2017 £
Equities:		
UK	**2,967,292**	2,472,188
Overseas	**466,024**	446,721
Bonds: UK	**24,580**	17,460
Pooled Units: UK	**258,210**	157,340
Cash Held By Fund Manager	**86,180**	81,775
Total Funds	**3,802,286**	3,175,484

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 2018 the Fund achieved a return of +4.28% compared to the FTSE All Share Index return of +1.25%, an out-performance of 3.03%. Over three and five years the Fund has outperformed the index as follows:

	3 Years	**5 Years**
Fund	5.97%	7.96%
FTSE All Share	5.86%	6.59%
Out performance	0.11%	1.37%

Notes to the Financial Statements for the year ended 31 March 2018

8. Analysis of Net Assets by Fund at 31 March 2018

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

	Unrestricted Fund	Restricted Fund	Endowment Funds Permanent	Endowment Funds Expendable	**Total 2018**	Total 2017
Charity 1 – Bursary Fund	£	£	£	£	**£**	£
Investments - 31 March	99,037	-	297,704	2,371,556	**2,768,297**	2,312,396
Fixed Assets	99,037	-	297,704	2,371,556	**2,768,297**	2,312,396
Current Assets	27,679	-	-	148,082	**175,761**	513,668
Current Liabilities (1)	-	-	-	(13,943)	**(13,943)**	(9,119)
Net Current Assets	27,679	-	-	134,139	**161,818**	504,549
Total Net Assets	126,716	-	297,704	2,505,695	**2,930,115**	2,816,945
Charity 2 – Scholarships & Prizes Fund						
Investments - 31 March	-	96,307	-	937,683	**1,033,990**	863,088
Fixed Assets	-	96,307	-	937,683	**1,033,990**	863,088
Current Assets	-	-	-	59,172	**59,172**	190,649
Current Liabilities (1)	-	-	-	-	**-**	-
Net Current Assets	-	-	-	59,172	**59,172**	190,649
Total Net Assets	-	96,307	-	996,855	**1,093,162**	1,053,737
Total Net Assets (charity 1 and 2)	126,716	96,307	297,704	3,502,550	**4,023,277**	3,870,682

(1) Current liabilities amount to £13,943 and represent bursaries awarded by the Trust for the Summer term 2018 (2016/17: £9,119).

Notes to the Financial Statements for the year ended 31 March 2018

9. Analysis of Net Assets by Fund at 31 March 2018

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

Total Movement in Funds

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	**Fund Balances Carried Forward**
	£	£	£	£	**£**	**£**
Unrestricted:						
Designated (1)	123,087	3,380	-	**-**	35	**126,502**
Restricted (2)	140,399	3,274	(180)	**-**	(63)	**143,430**
Endowments:						
Expendable (3)	3,312,198	140,557	(22,953)	-	25,839	**3,455,641**
Permanent (4)	294,998	-	-	-	2,706	**297,704**
Total Funds	3,870,682	147,211	(23,133)	-	28,517	**4,023,277**

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

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	**Fund Balances Carried Forward**
	£	£	£	£	£	**£**
Unrestricted:						
Designated (1)	123,087	3,380	-	-	35	**126,502**
Endowments:						
Expendable (3)	2,398,860	109,084	(20,164)	-	18,129	**2,505,909**
Permanent (4)	294,998	-	-	-	2,706	**297,704**
Total Funds	2,816,945	112,464	(20,164)	-	20,870	**2,930,115**

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

	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	**Fund Balances Carried Forward**
	£	£	£	£	£	**£**
Restricted (2)	140,399	3,274	(180)	-	(63)	**143,430**
Endowment:						
Expendable (3)	913,338	31,473	(2,789)	-	7,710	**949,732**
Total Funds	1,053,737	34,747	(2,969)	-	7,647	**1,093,162**

Notes to the Financial Statements for the year ended 31 March 2018

9. Analysis of Net Assets by Fund at 31 March 2018 (continued)

Notes to the funds:

1. Unrestricted Designated Fund

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

2. Restricted Fund

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

3. Endowment Fund - Expendable

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

4. Endowment Fund - Permanent

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

Notes to the Financial Statements for the year ended 31 March 2018

10. Details of related parties and wider networks

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

The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee. Investment income from the Charities Pool in 2017/18 amounted to £125,479 (2016/17: £113,078).

Committee(s):	Date(s):	Item no.
Finance & Estates Sub-Committee of the Board of Governors of the City of London School	26 September 2018	
Board of Governors of the City of London School	17 October 2018	

Subject: City of London School Education Trust – Draft 2017/18 Annual Report and Financial Statements	**Public**
Report of: The Chamberlain	**For Information**

Draft Annual Report and Financial Statements

for the year ended 31 March 2018

The draft 2017/18 Annual Report and Financial Statements for the City of London School Education Trust (charity number: 1118571) are attached.

During the year ended 31 March 2018 total funds increased by £80 (2016/17: a decrease of £253) to £5,887 (2016/17: £5,807). This movement comprised a donation of £50, and investment income of £30.

No expenditure was incurred during the year (2016/17: expenditure of £304,526 towards the purchase of furniture as part of the School's library refurbishment).

Recommendation

It is recommended that Governors receive this report for information.

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

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THE CITY OF LONDON SCHOOL EDUCATION TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Charity Number: 1118571

Trustee's Annual Report and Financial Statements
For the year ended 31 March 2018

Contents **Page**

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report for the year ended 31 March 2018

1. Reference and Administrative Details

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

2. Structure, Governance and Management

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

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

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

Organisational structure and decision making process

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

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process (continued)

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

Related Parties

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

Risk identification

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

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

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

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

3. Objectives and Activities for the Public Benefit

The objects of the Trust are:

(1) To advance the education of pupils of the City of London School (the School), children and young people who are not pupils of the School, in particular but not exclusively by providing or assisting in the provision of facilities for education, including social and physical education and education in music and arts; and

(2) To provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure-time occupation for individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public benefit at large, with the aim of improving their condition of life.

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

Trustee's Annual Report (continued)

4. Achievements and Performance

During the year there was no expenditure on charitable activities (2016/17: £304,256 on the purchase of furniture as part of the School's Library refurbishment).

5. Financial Review

During the year ended 31 March 2018 total funds increased by £80 (2016/17: a decrease of £253) to £5,887 (2016/17: £5,807). This was due to donations of £50 and investment income of £30 (2016/17: expenditure of £304,526 towards the library refurbishment, which was offset by voluntary income of £303,000 and investment income of £1,273).

Going Concern

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

Reserves Policy

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

Investment Policy

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

6. Plans for Future Periods

The aims for 2018/19 are:

(1) To continue to advance the education of pupils of the City of London School (the School), children and young people who are not pupils of the School, in particular but not exclusively by providing or assisting in the provision of facilities for education, including social and physical education and education in music and arts; and

(2) To continue to provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure-time occupation for individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public benefit at large, with the aim of improving their condition of life.

7. Statement of Trustee's Responsibilities

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

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

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

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

8. Adopted and signed for on behalf of the Trustees on 13 November 2018.

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

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

Opinion

We have audited the financial statements of The City of London School Education Trust (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

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.

Nick Bennett*, Senior Statutory Auditor*
For and on behalf of 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

Date:

Statement of Financial Activities for the year ended 31 March 2018

	Note	Restricted Fund	**Total Funds 2017/18**	Total Funds 2016/17
		£	**£**	£
Income and endowments from:				
Donations		50	**50**	303,000
Income from investments				
Interest receivable		30	**30**	1,273
Total income and endowments	3	80	**80**	304,273
Expenditure on:				
Charitable activities	4	-	**-**	304,526
Total expenditure		-	**-**	304,526
Net income/(expenditure)		80	**80**	(253)
Transfers between funds		-	**-**	-
Other recognised gains/(losses)		-	**-**	-
Net movement in funds		80	**80**	(253)
Reconciliation of funds				
Total funds brought forward	8	5,807	**5,807**	6,060
Total funds carried forward	8	5,887	**5,887**	5,807

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.

Balance Sheet as at 31 March 2018

	Note	**2018**	2017
		£	£
Current Assets			
Cash at bank and in hand		**5,887**	5,807
Net current assets	7	**5,887**	5,807
The funds of the charity:			
Restricted Fund		**5,887**	5,807
Total funds carried forward	8	**5,887**	5,807

Approved and signed for and on behalf of the Trustee

The notes at pages 11 to 13 form part of these financial statements.

Dr Peter Kane
Chamberlain of London
13 November 2018

Notes to the Financial Statements for the year ended 31 March 2018

1. Accounting Policies

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

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

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

(c) ***Cash Flow Statement***
The Trust has taken advantage of the exemption in FRS102 from the requirement to produce a statement of cash flows on the grounds that it is a small entity.

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

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

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

(g) ***Fund Accounting***
The funds of the charity consist of restricted donations and interest earned on the cash balance.

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

2. Tax Status of the Charity

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

3. Incoming Resources

Incoming resources consist of donations of £50 (2016/17: £303,000 received from one donor to fund the costs of the purchase of furniture as part of the School's Library refurbishment) and interest received on cash balances of £30 (2016/17: £1,273).

4. Resources Expended

No expenditure was incurred during 2017/18 (2016/17: £304,526 on the purchase of furniture as part of the library refurbishment).

5. Support and Governance Costs

Staff numbers and costs

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

Auditors' remuneration and fees for external financial services

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

6. Other Items of Expenditure

Trustee's expenses

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

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

7. Analysis of Net Assets by Fund at 31 March 2018

	Restricted Fund 2018	Restricted Fund 2017
	£	£
Current Assets	**5,887**	5,807
Total Net Current Assets	**5,887**	5,807

8. Summary of Funds and Movements during the year to 31 March 2018

	Fund balances brought forward	Income	Expenditure	Gains and losses	**Fund balances carried forward**
	£	£	£	£	**£**
Restricted Fund	5,807	80	-	-	**5,887**
Total Funds	5,807	80	-	-	**5,887**

Notes to the Funds:

Restricted Fund

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

9. Details of related parties and wider networks

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

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

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Committee(s):	Date(s):	Item no.
Finance & Estates Sub-Committee of the Board of Governors of the City of London School	26 September 2018	
Board of Governors of the City of London School	17 October 2018	
Subject: Revenue Outturn 2017/18	**Public**	
Report of: The Chamberlain The Head	**For Information**	

Summary

The net income for 2017/18, before transfers to reserves, was £1,502,000 compared to a budgeted position of £1,542,000. This represents a reduction in net income of £40,000 (2.6%) as shown in the table below.

	Budget **2017/18** **£000**	**Actual** **2017/18** **£000**	**Variation Better/ (Worse) 2017/18** **£000**	**Para Ref**
Income	18,058	18,180	122	3.iv to 3.vii
Expenditure	(16,516)	(16,678)	(162)	3.i to 3.iii
Total Net Income Before Transfers	**1,542**	**1,502**	**(40)**	
Transfers to reserves				
Repairs, Maintenance & Improvements Fund	(991)	(991)	-	
Information Technology	(266)	(266)	-	
Retirement	(22)	(22)	-	
Organ Replacement	(10)	(10)	-	
Grove Park Sports Reserve	(10)	(10)	-	
Capital Reserve	(350)	(310)	40	
Total Transfers	**(1,649)**	**(1,609)**	**40**	
Total Net Income After Transfers	**(107)**	**(107)**	**-**	
General Reserve Balance brought forward 1 April	607	607	-	
General Reserve Balance carried forward 31 March	**500**	**500**	**-**	

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 £754,000 for 2017/18, with any excess transferred to the Capital Reserve Fund. In light of recent capital works at the School and the aim of restoring the Capital Reserve Fund to its historic level of £1.5m, a transfer of £310,000 to the Capital Reserve Fund was actioned in 2017/18, thereby resulting in a General Reserve Balance of £500,000, which is £254,000 below the allowed maximum. 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 2018 was £641,349 (2016/17: £334,021).

Total School funds, including the General Reserve and Capital Reserve Funds, as at 31 March 2018 amounted to £2,725,255 as detailed in Annex B (£2,396,912 as at 31 March 2017), which represents an increase of £328,343 as detailed at paragraph 4 to this report.

Recommendations

It is recommended that this revenue outturn report for 2017/18 is noted.

Main Report

2017/18 Revenue Budget Position compared to Outturn

1. Overall, net income before transfers for 2017/18 was £1,542,000 compared to the budgeted net income of £1,502,000, representing a reduction of £40,000. Table 1 provides a comparison between the budget and outturn. Figures in brackets represent expenditure, increases in expenditure, or reductions in income.

TABLE 1 CITY OF LONDON SCHOOL			
Analysis of Service Expenditure	**Budget** **2017/18** **£000**	**Actual** **2017/18** **£000**	**Variation Better/ (Worse)** **2017/18** **£000**
INCOME			
School Tuition Fees	15,081	15,057	(24)
School & Staff Meals	457	475	18
Bookshop	145	172	27
Music Tution Fees	194	205	11
Registration Fees	185	212	27
Examination Fees	122	126	4
Other (note i)	25	26	1
City Support (Annex A)	1,849	1,907	58
Total Income	**18,058**	**18,180**	122
EXPENDITURE			
Employees	(10,549)	(10,702)	(153)
Premises Related Expenses (note ii)	(1,153)	(1,086)	67
Transport Related Expenses	(217)	(219)	(2)
Supplies & Services (note iii)	(2,489)	(2,493)	(4)
Staff Subsidy & Prizes	(17)	(17)	0
Scholarship Subvention Awards	(786)	(786)	-
Match Funding Awards	(377)	(361)	16
Support Services (Annex A)	(634)	(720)	(86)
Capital Charges - Depreciation (Annex A)	(294)	(294)	-
Total Expenditure before transfers	(16,516)	(16,678)	(162)
TOTAL NET INCOME BEFORE TRANSFERS	1,542	1,502	(40)
TRANSFERS TO RESERVES			
Repairs, Maintenance & Improvements Fund	(991)	(991)	-
Information Technology	(266)	(266)	-
Retirement	(22)	(22)	-
Organ Replacement	(10)	(10)	-
Grove Park Sports Reserve	(10)	(10)	-
Capital Reserve	(350)	(310)	40
Total Transfers	**(1,649)**	**(1,609)**	**40**
TOTAL NET INCOME AFTER TRANSFERS	**(107)**	**(107)**	-
General Reserve Balance b/forward 1 April	**607**	**607**	**-**
General Reserve Balance c/forward 31 March	**500**	**500**	**-**

Notes

(i) Other income – includes income from retained deposits; facilities hire and interest earned.

(ii) Premises Related Expenses - includes energy costs, rates, water services, cleaning and domestic supplies.

(iii) Supplies and Services - includes catering, equipment, furniture, materials, books, uniforms, printing, stationary, professional fees, grants & subscriptions, and advertising.

2. The 2002 funding guidelines report recommended that the General Reserve balance should not exceed 5% of the original estimate of fee income, equating to £754,000 for 2017/18, with any excess transferred to the Capital Reserve Fund. The balance reduced during 2017-18 from £607,000 to £500,000, partly as a result of a transfer of £310,000 to the School's Capital Reserve towards restoring Capital Reserve to the historic level of £1.5m by 2020/21. The budgeted transfer was higher at £350,000 but this was not possible due to the overall unfavourable variance of £40,000 on the other budget headings.

3. The main reasons for these variations, which are summarised in Table 1 and result in a reduction in net income of £40,000, were:

Higher expenditure of £162,000 mainly due to:

i) An increase in employee costs of £153,000, of which £60,000 relates to an increase in teaching staff in the Mandarin department, £50,000 is for two additional members of security staff due to the increased risk of terrorism and £40,000 is for an increase in support staff for administration;

ii) An uplift in Support Services costs of £86,000, largely offset by the additional City Support income noted below;

Partly offset by:

iii) an underspend on premises related expenses of £67,000 due to a number of variations across premises budgets, but mainly due to a reduction in sport centre rental costs of £33,000 due to lower use.

Additional income of £122,000, principally as a result of:

iv) An increase in City Support of £58,000;

v) higher than anticipated registration fee income of £27,000 due to continued strong demand from prospective parents;

vi) higher than budgeted bookshop income of £27,000 due to strong demand from departments;

Partly offset by:

vii) a marginal reduction in tuition fee income of £24,000 due to a small number of pupils leaving the School early.

Unrestricted, Designated and Restricted Funds

4. A summary of unrestricted, designated and restricted funds showing the movements in 2017/18 is attached at Annex B. Total funds have increased by £328,343 from £2,396,912 to £2,725,255 at 31 March 2018. The main movements were as follows:

i) Unrestricted Fund net income, before transfers, of £1,502,096 as detailed in Annex B, which was used to partly offset expenditure charged to the designated and restricted funds as follows:

ii) planned expenditure from the Repairs and Maintenance Fund of £1,022,778 in accordance with the agreed programme of works offset by interest of £2,643;

iii) planned expenditure from the Information Technology (IT) Fund of £138,555;

iv) expenditure from the Self Funded Bursary Fund of £103,308, partly offset by income of £66,658 and interest of £2,350;

v) net income of £43,057 to the External Scholarships Fund;

vi) net expenditure of £37,761 against the Bookshop Fund as a result of a transfer to reduce the deficit against the running of this facility;

vii) net expenditure of £29,429 for early retirements;

viii) donations of £21,164 against Other Match Funds; and

ix) income of £19,662 against Grove Park Sports Reserve including £8,580 for the Go Mammoth Summer Term 2017 dinner and £7,200 for the hire of the facilities.

Contacts:

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City of London School: Charles Griffiths, Bursar
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charles.griffiths@cityoflondonschool.org.uk

Annex A

CITY SUPPORT

City Support	Budget 2017/18 £000	Actual 2017/18 £000	Variation Better/ (Worse) 2017/18 £000
Scholarships			
General (note i)	786	786	-
2.5% Match Funding (note ii)	377	361	16
Total Scholarships	**1,163**	**1,147**	**16**
Support Services			
Information Systems	52	60	(8)
Chamberlain	75	86	(11)
Comptroller & City Solicitor	2	9	(7)
Town Clerk	114	111	3
City Surveyor	31	72	(41)
Corporate & Democratic Core (CDC)	19	38	(19)
Staff Insurance	48	39	9
Total Support Services	**341**	**415**	**(74)**
Capital Charges – Depreciation	**294**	**294**	**-**
Other support and adjustments			
City Procurement savings/(costs) (note iii)	16	16	-
London Living Wage - Catering (note iv)	22	22	-
London Living Wage - Cleaning (note v)	71	71	-
Service Based Review Savings (note vi)	(109)	(109)	-
Printing Administration Reduction	(1)	(1)	-
Employers' Pension Fund 3.5% Increase (note vii)	52	52	
Total other support and adjustments	**51**	**51**	**-**
TOTAL CITY SUPPORT	**1,849**	**1,907**	**(58)**

Notes:

i) City's Cash finances the equivalent of 48 full fee scholarships per annum.

ii) The funding guidelines, as agreed by Policy & Resources Committee on 19 September 2002, provided for the City to match fund external bursary funds raised from that date onwards up to a cap of 2.5% of tuition fee income.

iii) As a result of new contracts procured by City Procurement, expenditure by City Schools should be reduced. However, such savings are intended to benefit the City Corporation centrally to help achieve balanced revenue budgets on City's Cash over the medium term. In order to move these savings from the Schools to the centre, an adjustment has been made to the City's support to the Schools. This will leave the Schools in a neutral resource position as the reduction in costs from the contract savings will be offset by a reduction in income through the City's support. Should a contract procured by the City Procurement Team result in an increase in a School's costs then a compensatory increase will be made to the City's support to retain the neutrality principle.

iv) The City of London School catering contract was awarded to Holroyd Howe Ltd for three years from 1 September 2013. Excluding the London Living Wage (LLW), costs would have remained broadly in line with the previous contract. However, in accordance with the City of London Corporation's policy on the LLW, all tenderers also quoted prices inclusive of LLW, and this added £22,000 to the full annual cost. To ensure that the School is not financially disadvantaged, £22,000 has been added to the City's Support.

v) The Corporate Cleaning Contract was awarded to MITIE from 1 September 2011, and further to iv) above, in accordance with the City of London Corporation's policy on the LLW, to ensure that the School is not financially disadvantaged, the City's Support has been increased.

vi) The Service Based Review (SBR) aims to deliver significant and sustainable savings and/or increased income in order to balance City Fund and City's Cash over the medium term. The Policy and Resources Committee agreed savings proposals totalling £109,000, excluding additional income from increases in tuition fees, for the City of London School. These proposals were phased £87,000 in 2015/16 with an additional £22,000 in 2016/17.

vii) Employer's Pension Fund contributions increased by 3.5% in 2017-18. The School has been reimbursed £52,000 for increased costs.

Annex A

SUPPORT SERVICES AND CAPITAL FINANCING CHARGES

Support Services and Capital Financing Charges	**Budget 2017/18 £000**	**Actual 2017/18 £000**	**Variation Better/ (Worse) 2017/18 £000**
Support Services			
Information Systems (IS)	(52)	(60)	(8)
Chamberlain	(75)	(86)	(11)
Comptroller & City Solicitor	(2)	(9)	(7)
Town Clerk	(114)	(111)	3
City Surveyor	(31)	(72)	(41)
Corporate & Democratic Core (CDC)	(19)	(38)	(19)
Staff Insurance	(48)	(39)	9
Other Insurance	(69)	(64)	5
City Surveyor's Employee Recharge	(158)	(146)	12
CLPS Staff	(66)	(95)	(29)
Support Services Sub-Total	**(634)**	**(720)**	(86)
Capital Charges – Depreciation	**(294)**	**(294)**	**-**
TOTAL SUPPORT SERVICES AND CAPITAL FINANCING CHARGES	**(928)**	**(1,014)**	**(86)**

CITY OF LONDON SCHOOL

MANAGEMENT INFORMATION

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Annex B

City of London School

2017/18 Movement of Funds

	Balance 31/03/17	Interest	Income	Expenditure	Transfer between funds	Balance 31/03/18
Unrestricted	£	£	£	£	£	£
General Reserve	606,914	15,156	17,870,578	(16,383,638)		2,109,010
Capital Reserve Fund					(310,010)	(310,010)
Repairs, Maintenance & Improvements					(991,000)	(991,000)
IT Replacement Fund					(266,000)	(266,000)
Premature Retirement Fund					(22,000)	(22,000)
Grove Park Sports Reserve					(10,000)	(10,000)
Organ Repair Fund					(10,000)	(10,000)
	606,914	15,156	17,870,578	(16,383,638)	(1,609,010)	500,000
Designated	£	£	£	£	£	£
Bookshop	27,423		142	(37,903)		(10,338)
Capital Reserve Fund	334,021		1,736	(4,418)	310,010	641,349
The Citizen	1,006		5			1,011
Grove Park Sports Reserve	11,754		19,662		10,000	41,416
IT Replacement Fund	170,463			(138,555)	266,000	297,908
Other Match Funds	4,038		21,164			25,202
Organ Repair Fund	54,456		283		10,000	64,739
Premature Retirement Fund	88,363		459	(29,898)	22,000	80,924
Repairs, Maintenance & Improvements	507,261	2,643		(1,022,778)	991,000	478,126
Self Funded Bursary Fund	461,825	2,350	66,658	(103,308)		427,525
Vehicle Replacement Fund	69,790		4,948			74,738
	1,730,401	4,993	115,057	(1,336,860)	1,609,010	2,122,601
Restricted						
External Scholarships	59,597		1,111,491	(1,068,434)		102,654
	59,597	-	1,111,491	(1,068,434)	-	102,654
Total Funds	2,396,912	20,149	19,097,127	(18,788,932)	-	2,725,255

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

Agenda Item 12

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