



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

Date: FRIDAY, 22 NOVEMBER 2019

Time: 10.00 am

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL, EC2V 7HH

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

Enquiries: Polly Dunn
polly.dunn@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. **MINUTES**
To agree the public minutes and non-public summary of the meeting held on 24 May 2019.

For Decision
(Pages 1 - 2)
4. **THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND - DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**
Report of the Chamberlain.

For Information
(Pages 3 - 30)
5. **CITY OF LONDON SCHOOL EDUCATION TRUST - DRAFT 2018/19 ANNUAL REPORT AND FINANCIAL STATEMENTS**
Report of the Chamberlain.

For Information
(Pages 31 - 48)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

Part 2 - Non-Public Agenda

8. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 24 May 2019.

For Decision
(Pages 49 - 52)
9. **OUTSTANDING ACTIONS**
Report of the Town Clerk.

For Information
(Pages 53 - 54)

10. **BURSAR'S REPORT**
Report of the Bursar.

For Decision
(Pages 55 - 62)

11. **REPAIRS, MAINTENANCE AND IMPROVEMENTS FUND**
Joint Report of the Chamberlain, Head and City Surveyor.

For Decision
(Pages 63 - 72)

12. **FINANCIAL INFORMATION DASHBOARD**
Joint report of the Chamberlain and the Bursar.

For Information
(Pages 73 - 96)

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

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

Part 3 - Confidential Agenda - Circulated Separately

15. **CONFIDENTIAL MINUTES**
To agree the confidential minutes of the meeting held on 25 February 2019.

For Decision

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

Friday, 24 May 2019

Minutes of the meeting of the Finance & Estates 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
Alexander Barr

Ian Seaton
Paul Stein

Officers:

Alan Bird	- City of London School
Charles Griffiths	- City of London School
Steven Reynolds	- Chamberlain's Department
Polly Dunn	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Deputy Keith Bottomley and Deputy Edward Lord. Tim Levene dialled into the meeting. Governors moved for James Thomson to take the Chair in his absence.

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

There were none.

3. MINUTES

Alexander Barr wished to clarify his declaration of interest at item 2. He noted that he still worked for the company in question, but that he was at arm's length to the part of the organisation that dealt with the tender.

RESOLVED, that the public minutes of the meeting held on 25 February 2019, be approved as accurate record, subject to the proposed amendment.

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. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on

the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

7. **NON-PUBLIC MINUTES**

RESOLVED, that the non-public minutes of the meeting held on 25 February 2019, be approved as accurate record.

8. **OUTSTANDING ACTIONS**

Governors received a report of the Town Clerk regarding Outstanding Actions.

9. **REPORT OF THE BURSAR**

Governors received a report of the Bursar.

10. **OPTIONS FOR CITY OF LONDON FUNDS AND TRUSTS**

Governors considered a report of the Bursar regarding the options for the City of London School Funds and Trusts.

11. **FINANCIAL INFORMATION DASHBOARD**

Governors considered a joint report of the Chamberlain and the Bursar regarding the Financial Information Dashboard.

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

There were none.

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

There was no other business.

14. **CONFIDENTIAL MINUTES**

This item was deferred to the next Finance & Estates Committee meeting.

The meeting closed at 11.02 am

Chairman

**Contact Officer: Polly Dunn
020 7332 3726**

Committee(s): Finance & Estates Sub-Committee of the Board of Governors of the City of London School – For information	Date(s): 22 November 2019
Board of Governors of the City of London School – For information	11 December 2019
Subject: The City of London School Bursary Fund incorporating The City of London School Scholarships & Prizes Fund – Draft Annual Report and Financial Statements for the year ended 31 March 2019	Public
Report of: The Chamberlain	For Information
Report author: Steven Reynolds	

Draft Annual Report and Financial Statements for the year ended 31 March 2019

1. The draft 2018/19 Annual Report and Financial Statements for The City of London School Bursary Fund (charity 1) incorporating The City of London School Scholarships & Prizes Fund (charity 2) are attached.
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 2019 total funds decreased by £22,750 (2017/18: total funds increased by £152,595) to £4,000,527 (2017/18: £4,023,277). This increase comprised the following:-
 - i) a net loss on investments of £36,124 (2017/18: a net gain of £28,517);
 - ii) investment income of £141,509 (2017/18: £126,621) and donations and legacies of £0 (2017/18: £20,590); and
 - iii) expenditure on charitable activities of £128,135 (2017/18: £23,133) which was made up of thirteen bursary awards (2017/18: three bursary awards and one prize).
4. BDO LLP has completed its audit of the Annual Report and Financial Statements. No accounting changes were required to them and BDO LLP intends to give an unqualified opinion. The draft Annual Report and Financial

Statements have been submitted to the Finance Committee on 12 November for approval on behalf of the Court of Common Council.

Recommendation

5. It is recommended that members receive this report for information.

Appendices

- Appendix – The City of London School Bursary Fund incorporating The City of London School Scholarships & Prizes Fund – Draft Annual Report and Financial Statements for the year ended 31 March 2019

Contact:

Steven Reynolds, Group Accountant
Chamberlains

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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
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 2019**

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**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 2019

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 Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
Auditor:	BDO LLP 55 Baker Street London W1U 7EU

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

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

THE CITY OF LONDON SCHOOL BURSARY FUND
INCORPORATING
THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND
Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

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

Trustee

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

Policies and Procedures for the Induction and Training of the Trustee

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 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.

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

Trustee's Annual Report (continued)

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.

Charity Governance Code

The Charity Governance Code was published in July 2017. The charity is supportive of the Code and its aim to assist in the development of high standards of governance throughout the sector. The Trustee is currently considering application of the recommended practice to the work of the charity.

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. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the beneficiaries.

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

4. Targets, Achievements and Performance for 2018/19

The aim for the City of London School Bursary Fund (charity 1) during 2018/19 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. 13 bursaries (2017/18: three bursaries) were awarded during the year amounting

**THE CITY OF LONDON SCHOOL BURSARY FUND
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Trustee's Annual Report (continued)

to £127,841 (2017/18: £22,309). There were no contributions in the year towards the costs of uniforms or school trips for pupils who were in receipt of bursaries (2017/18: £0).

The aim for the City of London School Scholarships and Prizes Fund (charity 2) during 2018/19 was to continue to assist children to study various subjects at the School and to assist in further education. No prizes were allocated in the year from this fund (2017/18: one prize amounting to £530). For administrative purposes, all the Prizes awarded in 2018/19 were funded from other sources whilst the School reviews its Scholarships and Prizes funding.

5. Financial Review

During the year ended 31 March 2019 total funds reduced by £22,750 (2017/18: total funds increased by £152,595) to £4,000,527 (2017/18: £4,023,277). This movement comprised the following:

- i) investment income of £141,509 (2017/18: £126,621). There were no donations (2017/18: £20,590);
- ii) expenditure on charitable activities of £128,135 (2017/18: £23,133) which was largely made up of 13 bursary awards but no prizes (2017/18: three bursary awards and one prize). Further prizes were awarded but were funded by the school's budget; and
- iii) a net loss on investments of £36,124 (2017/18: a net gain of £28,517).

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.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general

**THE CITY OF LONDON SCHOOL BURSARY FUND
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Trustee's Annual Report (continued)

public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in our accounts as donations.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee.

Our terms of employment require staff to behave reasonably at all times and relevant staff have received training in charity law and funding raising. We have received no complaints in relation to fundraising activities.

6. Plans for Future Periods

The aims for 2019/20 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. Disclosure of Information to the Auditor

At the date of approval of this report, the Trustee confirms that:

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

8. 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:

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THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND**

Trustee's Annual Report (continued)

- 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.

9. Adopted and signed for on behalf of the Trustee on 19 November 2019.

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

Jamie Ingham Clark
Deputy Chairman of Finance Committee
Guildhall, London

Independent Auditor's Report to the Trustee 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 2019 which comprise the statement of financial activities, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has 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.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

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.

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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

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

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Trustee 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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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 Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**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 2019

	Note	Unrestricted Fund	Restricted Fund	Endowment Fund	Total Funds 2018/19	Total Funds 2017/18
		£	£	£	£	£
Incoming resources:						
Donations		-	-	-	-	20,590
Income from investments						
Managed investment income		3,664	3,577	131,904	139,145	125,479
Interest receivable		256	309	1,799	2,364	1,142
Total incoming resources	3	<u>3,920</u>	<u>3,886</u>	<u>133,703</u>	141,509	147,211
Resources expended:						
Charitable activities						
Bursaries awarded		2,984	-	124,857	127,841	22,309
Prizes awarded		-	-	-	-	530
Support costs – bursaries	5	-	-	294	294	294
Total resources expended	4	<u>2,984</u>	<u>-</u>	<u>125,151</u>	128,135	23,133
Net (losses)/gains on investments	7	(1,068)	(1,056)	(34,000)	(36,124)	28,517
Net movement in funds		<u>(132)</u>	<u>2,830</u>	<u>(25,448)</u>	(22,750)	152,595
Reconciliation of funds						
Total funds brought forward	9	126,502	143,430	3,753,345	4,023,277	3,870,682
Total funds carried forward	9	<u>126,370</u>	<u>146,260</u>	<u>3,727,897</u>	4,000,527	4,023,277

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 2019

Note **2019** 2018

		£	£
Fixed Assets			
Managed Investments	7	<u>3,810,161</u>	<u>3,802,286</u>
Current Assets			
Cash at bank and in hand		232,778	234,934
Creditors: amounts falling due within one year	8	<u>(42,412)</u>	<u>(13,943)</u>
Net Current Assets		190,366	220,991
Total Assets less Current Liabilities	8	<u>4,000,527</u>	<u>4,023,277</u>
The funds of the charity			
Unrestricted Designated Fund		126,370	126,502
Restricted Fund		146,260	143,430
Expendable Endowment Fund		3,432,899	3,455,641
Permanent Endowment Fund		294,998	297,704
Total funds	9	<u>4,000,527</u>	<u>4,023,277</u>

Approved and signed for and on behalf of the Trustee.

The notes at pages 13 to 24 form part of these accounts.

Dr Peter Kane
Chamberlain of London
19 November 2019

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

Notes to the Financial Statements for the year ended 31 March 2019

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 of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities Act 2011.

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

(b) Going Concern

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

(c) Cash Flow Statement

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

(d) Income Recognition

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

(e) Investment income

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

(f) Expenditure Recognition

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

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

Notes to the Financial Statements for the year ended 31 March 2019

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 expenditure 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.

(j) *Taxation*

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

(k) *Significant Management Judgements and Key Sources of Estimation and Uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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 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.

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

Notes to the Financial Statements for the year ended 31 March 2019

3. Income

Income is 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 2018/19	Total 2017/18
	£	£	£	£
Donations	-	-	-	20,590
Investment Income				
Managed investment income	101,090	38,055	139,145	125,479
Interest receivable	1,763	601	2,364	1,142
Total Income	102,853	38,656	141,509	147,211

Donations:

No donations were received during the year (2017/18: £20,590).

Investment Income:

Income for the year derived from the investments in The City of London Charities Pool amounting to £139,145 (2017/18: £125,479) noted in 1(e) and interest received on cash balances of £2,364 (2017/18: £1,142).

4. Expenditure

Expenditure is 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 2018/19	Total 2017/18
	£	£	£	£
Charitable Activities				
Bursaries Awarded	126,147	1,694	127,841	22,309
Scholarships & Prizes	-	-	-	530
Support Costs – bursaries	294	-	294	294
Total Expenditure	126,441	1,694	128,135	23,133

Charitable activities consisted of:

- i) 13 bursaries (2017/18: three bursaries) awarded during the year amounting to £127,841 (2017/18: £22,309). The bursaries were awarded to individuals and therefore specific details cannot be disclosed;

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

Notes to the Financial Statements for the year ended 31 March 2019

4. Expenditure (continued)

- ii) No prizes were awarded (2017/18: one prize amounting to £530);
- iii) Support costs for bursary administration of £294 were charged by the City of London Corporation during the year (see note 5 below) (2017/18: £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 2018/19 amounted to £294 (2017/18: £294).

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.

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

Notes to the Financial Statements for the year ended 31 March 2019

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:

	Unrestricted Fund	Restricted Fund	Endowment Funds	Total 2019	Total 2018
	£	£	£	£	£
<u>Charity 1 – Bursary Fund</u>					
Market Value 1 April	98,824	-	2,663,214	2,762,038	2,312,396
Purchase of Charities Pool units ¹	4,791	-	28,125	32,915	428,772
Net Investment Gain / (Loss)	(1,068)	-	(25,206)	(26,274)	20,870
Market Value 31 March	102,547	-	2,666,132	2,768,679	2,762,038
Units in Charities Pool	11,760	-	305,749	317,509	313,868
<u>Charity 2 – Scholarships & Prizes Fund</u>					
Market Value 1 April	-	96,307	943,941	1,040,248	863,088
Purchase of Charities Pool units ¹	-	5,099	5,984	11,083	169,513
Net Investment Gain / (Loss)	-	(1,056)	(8,793)	(9,849)	7,647
Market Value 31 March	-	100,350	941,132	1,041,482	1,040,248
Units in Charities Pool	-	11,508	107,928	119,436	118,210
Total Market Value 31 March	102,547	100,350	3,607,264	3,810,161	3,802,286
Total Cost when purchased	66,783	65,512	2,296,869	2,429,164	2,385,166
Total units in Charities Pool	11,760	11,508	413,677	436,945	432,078

(1) The School's Board of Governors agreed at its meeting on 14 June 2018 that cash of £43,998 would be invested in The City of London Charities Pool. Accordingly, a total of 4,867 units were purchased at £9.04 per unit on 1 October 2018.

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

	2019 £	2018 £
Equities:		
UK	2,945,255	2,967,292
Overseas	434,358	466,024
Bonds: UK	-	24,580
Pooled Units: UK	259,091	258,210
Cash Held By Fund Manager	171,457	86,180
Total Funds	3,810,161	3,802,286

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

Notes to the Financial Statements for the year ended 31 March 2019

7. Investment Assets (continued)

The majority of the charity's resources 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 2019, the Fund achieved a gross return of 4.05% compared to the FTSE All Share Index return of 6.36%. Over 3 years, the fund achieved a return of 8.31% compared to the FTSE All Share Index return of 9.51%. Over 5 years, the fund achieved a return of 6.77% compared to the FTSE All Share Index return of 6.10%.

	3 Years	5 Years
Fund	8.31%	6.77%
FTSE All Share	9.51%	6.10%
Comparison	-1.20%	+0.67%

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

Notes to the Financial Statements for the year ended 31 March 2019

8. Analysis of Net Assets by Fund

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:

As at 31 March 2019	Unrestricted Fund	Restricted Fund	Endowment Funds		Total 2019	Total 2018
			Permanent	Expendable		
<u>Charity 1 – Bursary Fund</u>	£	£	£	£	£	£
Investments - 31 March	102,547	-	294,998	2,371,134	2,768,679	2,768,297
Fixed Assets	102,547	-	294,998	2,371,134	2,768,679	2,768,297
Current Assets	23,823	-	-	130,162	153,985	175,761
Current Liabilities (1)	-	-	-	(42,412)	(42,412)	(13,943)
Net Current Assets	23,823	-	-	87,750	111,573	161,818
Total Net Assets	126,370	-	294,998	2,458,884	2,880,252	2,930,115
<u>Charity 2 – Scholarships & Prizes Fund</u>						
Investments - 31 March	-	100,350	-	941,132	1,041,482	1,033,990
Fixed Assets	-	100,350	-	941,132	1,041,482	1,033,990
Current Assets	-	45,910	-	32,883	78,793	59,172
Current Liabilities (1)	-	-	-	-	-	-
Net Current Assets	-	45,910	-	32,883	78,793	59,172
Total Net Assets	-	146,260	-	974,015	1,120,275	1,093,162
Total Net Assets (charity 1 and 2)	126,370	146,260	294,998	3,432,899	4,000,527	4,023,277

(1) Current liabilities amount to £42,412 and represent bursaries awarded by the Trust for the Summer term 2019 (2017/18: £13,943).

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

Notes to the Financial Statements for the year ended 31 March 2019

8. Analysis of Net Assets by Fund (continued)

As at 31 March 2018	Unrestricted Fund	Restricted Fund	Endowment Funds		Total 2018	Total 2017
			Permanent	Expendable		
<u>Charity 1 – Bursary Fund</u>	£	£	£	£	£	£
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
<u>Charity 2 – Scholarships & Prizes Fund</u>						
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).

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

Notes to the Financial Statements for the year ended 31 March 2019

9. Movement in Funds

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

Total Movement in Funds

At 31 March 2019	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Unrestricted:						
Designated (1)	126,502	3,920	(2,984)	-	(1,068)	126,370
Restricted (2)	143,430	3,886	-	-	(1,056)	146,260
Endowments:						
Expendable (3)	3,455,641	122,932	(125,151)	10,771	(31,294)	3,432,899
Permanent (4)	297,704	10,771	-	(10,771)	(2,706)	294,998
Total Funds	4,023,277	141,509	(128,135)	-	(36,124)	4,000,527

At 31 March 2018	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

At 31 March 2019	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Unrestricted:						
Designated (1)	126,502	3,920	(2,984)	-	(1,068)	126,370
Endowments:						
Expendable (3)	2,505,909	88,162	(123,457)	10,771	(22,501)	2,458,884
Permanent (4)	297,704	10,771	-	(10,771)	(2,706)	294,998
Total Funds	2,930,115	102,853	(126,441)	-	(26,275)	2,880,252

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

Notes to the Financial Statements for the year ended 31 March 2019

9. Movement in Funds (continued)

At 31 March 2018	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

At 31 March 2019	Fund Balance Brought Forward	Income	Expend-iture	Transfers	Gains and Losses	Fund Balances Carried Forward
	£	£	£	£	£	£
Restricted (2)	143,430	3,886	-	-	(1,056)	146,260
Endowment:						
Expendable (3)	949,732	34,770	(1,694)	-	(8,793)	974,015
Total Funds	1,093,162	38,656	(1,694)	-	(9,849)	1,120,275

At 31 March 2018	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	(1,694)	-	7,647	1,093,162

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

Notes to the Financial Statements for the year ended 31 March 2019

10. Movement in Funds (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.

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

Notes to the Financial Statements for the year ended 31 March 2019

11. 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 2018/19 amounted to £139,145 (2017/18: £125,479).

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Committee(s): Finance & Estates Sub-Committee of the Board of Governors of the City of London School – For information	Date(s): 22 November 2019
Board of Governors of the City of London School – For information	11 December 2019
Subject: City of London School Education Trust – Draft 2018/19 Annual Report and Financial Statements	Public
Report of: The Chamberlain	For Information
Report author: Steven Reynolds	

Draft Annual Report and Financial Statements for the year ended 31 March 2019

1. The draft 2018/19 Annual Report and Financial Statements for the City of London School Education Trust (charity number: 1118571) are attached.
2. During the year ended 31 March 2019 total funds increased by £158 (2017/18: an increase of £80) to £6,045 (2017/18: £5,887). This movement comprised a donation of £100 (2017/18: £50), and investment income of £58 (2017/18: £30).
3. No expenditure was incurred during the year (2017/18: No expenditure was incurred during the year).
4. BDO LLP has completed its audit of the Annual Report and Financial Statements. No accounting changes were required to them and BDO LLP intends to give an unqualified opinion. The draft Annual Report and Financial Statements have been submitted to the Finance Committee on 12 November for approval on behalf of the Court of Common Council.
5. The Board agreed in June 2019 that the funds of this charity be spent in 2019/20 and approval sought from the Court of Common Council to close the charity, an update on this is provided by the Bursar in his report on the agenda today.

Recommendation

6. It is recommended that members receive this report for information.

Appendices

- Appendix – The City of London School Education Trust – Draft 2018/19 Annual Report and Financial Statements

Contact:

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***THE CITY OF LONDON SCHOOL
EDUCATION TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019***

Charity number: 1118571

Trustee's Annual Report and Financial Statements

For the year ended 31 March 2019

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THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report for the year ended 31 March 2019

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:	BDO LLP 55 Baker Street London W1U 7EU

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The constitution of this charity 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 Trustee

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

Organisational structure and decision making process

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process (continued)

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

Related Parties

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

Risk identification

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

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

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

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

Charity Governance Code

The Charity Governance Code was published in July 2017. The charity is supportive of the Code and its aim to assist in the development of high standards of governance throughout the sector. The Trustee is currently considering application of the recommended practice to the work of the charity.

3. Objectives and Activities for the Public Benefit

The objects of the charity 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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

- (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.

4. Achievements and Performance

During the year there was no expenditure on charitable activities (2017/18: no expenditure on charitable activities).

5. Financial Review

During the year ended 31 March 2019 total funds increased by £158 (2017/18: an increase of £80) to £6,045 (2017/18: £5,887). This was due to donations of £100 and investment income of £58 (2017/18: donations of £50 and investment income of £30).

Going Concern

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

Reserves Policy

The charity 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 charity. Future expenditure will be dependent upon the nature of the income received by the charity.

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.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as donations.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Trustee's Annual Report (continued)

Our terms of employment require staff to behave reasonably at all times and relevant staff have received training in charity law and funding raising. We have received no complaints in relation to fundraising activities.

6. Plans for Future Periods

The aims for 2019/20 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. Disclosure of Information to the Auditor

At the date of approval of this report, the Trustee confirms that:

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

8. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Annual 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 CITY OF LONDON SCHOOL EDUCATION TRUST

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.

9. Adopted and signed for on behalf of the Trustee on 19 November 2019.

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

Jamie Ingham Clark
Deputy Chairman of Finance Committee
Guildhall, London

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Independent Auditor's Report to the Trustee 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 2019 which comprise the statement of financial activities, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

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

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.

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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

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

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

THE CITY OF LONDON SCHOOL EDUCATION TRUST

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

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 at the Financial Reporting Council's ("FRC's") website at:
<https://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 Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Statement of Financial Activities for the year ended 31 March 2019

	Note	Restricted Fund	Total Funds 2018/19	Total Funds 2017/18
		£	£	£
Incoming resources:				
Donations		100	100	50
Income from investments				
Interest receivable from investments		58	58	30
Total incoming resources	3	158	158	80
Net movement in funds		158	158	80
Reconciliation of funds				
Total funds brought forward	8	5,887	5,887	5,807
Total funds carried forward	8	6,045	6,045	5,887

There are no recognised gains or losses other than as shown in the Statement of Financial Activities above.

All income and expenditure derive from continuing activities.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Current Assets			
Cash at bank and in hand		6,045	5,887
Net current assets	7	<u>6,045</u>	<u>5,887</u>
The funds of the charity:			
Restricted Fund		6,045	5,887
Total funds carried forward	8	<u>6,045</u>	<u>5,887</u>

Approved and signed for and on behalf of the Trustee

The notes at pages 12 to 14 form part of these financial statements.

Dr Peter Kane
Chamberlain of London
19 November 2019

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Notes to the Financial Statements for the year ended 31 March 2019

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 of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 'The Financial Reporting Standard 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 charity 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.

(h) ***Taxation***

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

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Notes to the Financial Statements for the year ended 31 March 2019 (continued)

(i) *Significant Management Judgements and Key Sources of Estimation and Uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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. Income

Incoming resources consist of donations of £100 (2017/18: £50) and interest received on cash balances of £58 (2017/18: £30).

4. Expenditure

No expenditure was incurred during 2018/19 (2017/18: no expenditure was incurred).

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 charity 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.

THE CITY OF LONDON SCHOOL EDUCATION TRUST

Notes to the Financial Statements for the year ended 31 March 2019 (continued)

7. Analysis of Net Assets by Fund at 31 March 2019

	Restricted Fund 2019	Restricted Fund 2018
	£	£
Current Assets	6,045	5,887
Total Net Current Assets	6,045	5,887

8. Summary of Funds and Movements during the year

At 31 March 2019	Fund balances brought forward	Income	Expenditure	Gains and (losses)	Fund balances carried forward
	£	£	£	£	£
Restricted Fund	5,887	158	-	-	6,045
Total Funds	5,887	158	-	-	6,045

At 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	5,887	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 charities do not undertake transactions with the City of London School Education Trust.

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

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