

***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

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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.

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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.

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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.

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Trustee's Annual Report (continued)

7. Statement of Trustee's Responsibilities

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

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

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

The Trustee is responsible for keeping proper accounting records that 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
Chairman of Finance Committee
Guildhall, London

Jamie Ingham
Deputy Chairman of
Finance Committee

THE CITY OF LONDON SCHOOL EDUCATION TRUST

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

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.

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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.

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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:

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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	<u>80</u>	<u>80</u>	<u>304,273</u>
Expenditure on:				
Charitable activities	4	-	-	304,526
Total expenditure		<u>-</u>	<u>-</u>	<u>304,526</u>
Net income/(expenditure)		80	80	(253)
Transfers between funds		-	-	-
Other recognised gains/(losses)		-	-	-
Net movement in funds		<u>80</u>	<u>80</u>	<u>(253)</u>
Reconciliation of funds				
Total funds brought forward	8	5,807	5,807	6,060
Total funds carried forward	8	<u>5,887</u>	<u>5,887</u>	<u>5,807</u>

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

All incoming resources and resources expended derive from continuing activities.

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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	<u>5,887</u>	<u>5,807</u>
The funds of the charity:			
Restricted Fund		5,887	5,807
Total funds carried forward	8	<u>5,887</u>	<u>5,807</u>

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

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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.

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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.

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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.