

Committee	Date
Finance and Estates Committee of the Board of Governors of the City of London School for Girls	13 September 2021
Subject: Cash available in the School's charity: <i>The City of London School for Girls Bursary Fund Incorporating the City of London School for Girls Scholarships & Prizes Fund</i>	Public
Report of: The Chamberlain	For Decision
Report author: Nick Basye, Senior Accountant	

Summary

This report notifies Members that the draft cash balance as at 1 April 2021 in the charity *The City of London School for Girls Bursary Fund Incorporating the City of London School for Girls Scholarships & Prizes Fund* was £931,070. This report considers whether this is a sufficient cash balance to prevent the charity's funds becoming overdrawn during the coming year, which would incur interest charges, or whether there is surplus cash available which would be better invested in the Charities Pool.

The School has estimated the level of expenditure in 2021/22 and considers that the available cash balance is £109,277 higher than what is required and recommends that this balance is invested in the City of London Charities Pool.

It should be noted that any agreed investment must be made by 1 October 2021. As the next meeting of the Board of Governors will take place on 14 October 2021, any such decision will need to be taken forward under the Corporation's urgency arrangements.

Recommendation

The Finance and Estates Committee is requested to recommend that the Board of Governors agree to invest £109,277 of the charity's available cash balance in the City of London Charities Pool on 1 October 2021.

Main Report

1. This report asks Members if they wish to make a further investment in the Charities Pool from the available cash balance held by its charity *The City of London School for Girls Bursary Fund Incorporating the City of London School for Girls Scholarships & Prizes Fund*, or a disinvestment from the Charities Pool should the cash balance be deemed insufficient. The draft cash balance held as at 1 April 2021, subject to audit, was £931,070 and the level of funds already invested in the Charities Pool at the same date was £4,116,941.
2. The City of London Charities Pool offers charities linked with the City of London the opportunity to obtain better returns than could generally be achieved if investments were made individually or through interest on cash balances, enabling the charities to maximise their activities for the public benefit, with a focus on maximising long-term gains. Investment income paid by the Charities Pool in 2020/21 was 5.08%

compared to interest paid on cash balances of 0.75%. Charities have two opportunities each year to invest funds, namely 1 April and 1 October.

3. A summary of the charity's accounts for the last three years is shown below.

	Draft 2020/21 £	2019/20 £	2018/19 £
Income	935,578	1,060,957	928,550
Expenditure	(845,672)	(895,219)	(724,489)
Net income/(expenditure)	89,906	165,738	204,061
Cash balance 31 March	931,070	804,276	611,307
Purchase of Charities Pool units	(109,277)	-	-
Proceeds from sale of Charities Pool units	-	-	11,807
Remaining cash balance	821,793	804,276	623,144

4. Annual expenditure from the charity averaged £821,793 over the last three years, which is £109,277 less than the available cash balance of £931,070.
5. It is recommended that sufficient cash is retained by the charity to cover a year's expenditure and that the cash held in excess of this level of £109,277 is invested in the City of London Charities Pool on 1 October 2021.

Next Review of Cash Balances

6. The next review of the cash balance of the charity will be presented to the Board of Governors in summer 2022, which will be in time to meet the 1 October 2022 deadline for investment or dis-investment in the Charities Pool should this be required.

Contacts

Steven Reynolds
 Group Accountant, Chamberlain's Department
 T: 020 7332 1382
 E: Steven.Reynolds@cityoflondon.gov.uk

John Hall
 Bursar, The City of London School for Girls
 T: 020 7847 5524
 E: BURSAR@CLSG.ORG.UK