

# Charities Administered in Connection with (ICW) the City of London Freemen's School (CLFS)

Annual Report and Financial Statements for the  
year ended 31 March 2021

Charity registration number 312120

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## **ORIGINS OF THE CHARITY**

The City of London Corporation was appointed by the Charity Commission for England and Wales on 30 November 2011 as Trustee of the charitable funds governed by the Charities Administered in Connection with the City of London Freeman's School.

The funds of the charity are used to provide prizes in various subjects at the City of London Freeman's School. In the past, funds have also been used to assist children to study various subjects at the School and to aid former pupils who have gone on to study at universities.

# **TRUSTEE'S ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

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

### **GOVERNANCE ARRANGEMENTS**

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the Trustee of the Charities Administered ICW the City of London Freeman's School. The City Corporation is Trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London

The key Committee which has responsibility for directly managing matters related to the charity is the Board of Governors of the City of London Freeman's School, which is ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance commenced during 2019/20 and is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries. The review is expected to be completed by April 2022.

## **OBJECTIVES AND ACTIVITIES**

The objectives of the charity are to provide funds by awarding prizes in various subjects, and to assist children to study various subjects at school and also to aid school pupils who have gone on to university.

## **INVESTMENT POLICY**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London & Chief Financial Officer, at the email address stated on page 23.

## **PUBLIC BENEFIT STATEMENT**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities Administered ICW the City of London Freeman's School's aims and objectives and in planning future activities. The purposes of the charity are to provide funds to assist children to study various subjects at school, and for some of the older funds, to aid school pupils who have gone on to university. Funds are also provided for prizes in various subjects.

Consequently, the Trustee considers that the Charities Administered ICW the City of London Freeman's School operates to benefit the general public and satisfies the public benefit test.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 23.

## **ACHIEVEMENTS AND PERFORMANCE**

The school awarded 251 prizes during the year (2019/20: 255).

## **PLANS FOR FUTURE PERIODS**

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

The Trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 15.

# FINANCIAL REVIEW

## Overview of Financial Performance

### Income

In 2020/21 the charity's total income for the year was £15,065, an overall increase of £516 against the previous year (2019/20: £14,549 an overall increase of £483 against the previous year).

Income from charitable activities comprised £6,575 from donations received (2019/20: £7,155). Investment income was £8,337 (2019/20: £7,337) and interest from cash balances was £153 (2019/20: £57).

### Expenditure

Total expenditure for the year was £6,808 (2019/20: £7,676), which entirely related to charitable activities. This expenditure consisted of prizes awarded to pupils at the school.

### Investments performance

Financial markets recovered strongly over the twelve months to 31 March 2021 following the decline in asset prices in early 2020 during the emergence of the COVID-19 pandemic. Under these conditions investments held in the Charities Pool performed very well, generating a gross return of +30.72% for 2020/21 (2019/20: -14.78%) which compares favourably against the FTSE All Share Index benchmark return of +26.71% (2019/20 -18.45%). As a result, the longer-term performance of the Charities Pool investments, as set out in the table below, has significantly improved compared to the position reported twelve months ago.

|                               | 2020/21       |               | 2019/20 |        |
|-------------------------------|---------------|---------------|---------|--------|
|                               | 3 year        | 5 year        | 3 year  | 5 year |
| City of London Charities Pool | <b>5.04%</b>  | <b>7.19%</b>  | -2.44%  | 1.37%  |
| FTSE All Share                | <b>3.19%</b>  | <b>6.29%</b>  | -4.24%  | 0.57%  |
| Fund outperformance           | <b>+1.85%</b> | <b>+0.90%</b> | +1.80%  | +0.80% |

### Funds held

The charity's total funds held increased by £48,309 (27.9%) to £221,343 as at 31 March 2021 (2019/20: total funds held decreased by £29,856 (14.7%) to £173,034 as at 31 March 2020). This is largely due to gains of £40,052 on the investments held within the City of London Charities Pool based on valuations as at 31 March 2021 (2019/20: the decrease in funds was largely due to losses of £36,729 on the investments held within the City of London Charities Pool based on valuations as at 31 March 2020). The valuations are linked to the UK stock market, which experienced a significant fall during February and March 2020 as a result of the Coronavirus (COVID-19) pandemic. Most of the losses that occurred have now reversed although valuations have not yet fully recovered to the levels seen in October 2019.

Within the total funds held, £13,546 (2019/20: £12,846) represent permanent endowment funds which are held as a capital fund to generate income for the primary objectives of the charity.

Restricted income funds amounted to £204,691 (2019/20: £160,188) and comprised of voluntary and investment income. Any undistributed restricted income is held for use in future years in accordance with the objectives of the charity.

Income of £144 (2019/20: £131) arising from the capital held in the permanent endowment funds was credited to the unrestricted fund and was offset by an equal amount of expenditure (2019/20: £131). The trustee believes that an amount of £3,106 (2020/21: £0) should be held as this represents 12 months of administration and external audit fees, which will be charged from 1 April 2021 and which will be subject to annual review. The charity's reserves are below this target amount but the charity is working towards building these funds up in future years.

Details of all funds held, including their purposes, is set out within note 9 to the financial statements.

### **Reserves policy**

The charity holds an endowment fund, for which it maintains the capital base and uses the investment income in accordance with the objectives of the charity. Further to this, it holds a restricted fund which is utilised in accordance with the wishes of its donors. The free reserves of the charity are held to cover working capital needs. The trustee believes that an amount of £3,106 should be held at present, representing 12 months of administration and external audit fees, which will be subject to annual review.

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.



## TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Jamie Ingham Clark FCA

Chairman of Finance Committee of  
The City of London Corporation

Guildhall, London

7 December 2021

Jeremy Paul Mayhew MA MBA

Deputy Chairman of Finance  
Committee of The City of London  
Corporation

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CHARITIES ADMINISTERED ICW THE CITY OF LONDON FREEMEN'S SCHOOL**

## **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 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.

We have audited the financial statements of the Charities Administered ICW the City of London Freeman's School ("the Charity") for the year ended 31 March 2021 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).

## **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Independence*

We remain 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.

## **Conclusions related to going concern**

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustee is 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. The other information comprises: Trustee's Annual Report. 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. 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.

### **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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and the sector within which it operates. This included but was not limited to compliance with the Charities Act 2011, United Kingdom Accounting Standards, and tax legislation;
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We addressed the risk of management override, in particular by testing any journal entries containing material or round sum amounts, and any irregular journals;
- We have considered the control environment at both entity level and financial statement level to consider the ability to detect and prevent fraud; and
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Heather Wheelhouse, Senior Statutory Auditor  
BDO LLP, statutory auditor  
London, UK

**XX** December 2021

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).

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2021

|                                       | Notes       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | 2020/21<br>Total<br>Funds<br>£ | 2019/20<br>Total<br>Funds<br>£ |
|---------------------------------------|-------------|----------------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Income &amp; endowments from:</b>  |             |                            |                          |                         |                                |                                |
| Voluntary income                      | 2           | -                          | 6,575                    | -                       | <b>6,575</b>                   | 7,155                          |
| Investments                           | 3           | 144                        | 8,346                    | -                       | <b>8,490</b>                   | 7,394                          |
| <b>Total income</b>                   |             | <b>144</b>                 | <b>14,921</b>            | <b>-</b>                | <b>15,065</b>                  | <b>14,549</b>                  |
| <b>Expenditure on:</b>                |             |                            |                          |                         |                                |                                |
| Charitable activities                 | 4           | 144                        | 6,664                    | -                       | <b>6,808</b>                   | 7,676                          |
| <b>Total expenditure</b>              |             | <b>144</b>                 | <b>6,664</b>             | <b>-</b>                | <b>6,808</b>                   | <b>7,676</b>                   |
| Net gains / (losses) on investments   | 9           | -                          | 39,352                   | 700                     | <b>40,052</b>                  | (36,729)                       |
| <b>Net movement in funds</b>          |             | <b>-</b>                   | <b>47,609</b>            | <b>700</b>              | <b>48,309</b>                  | <b>(29,856)</b>                |
| <b>Reconciliation of total funds:</b> |             |                            |                          |                         |                                |                                |
| Brought forward                       | 8, 9        | -                          | 160,188                  | 12,846                  | <b>173,034</b>                 | 202,890                        |
| <b>Carried forward</b>                | <b>8, 9</b> | <b>-</b>                   | <b>207,797</b>           | <b>13,546</b>           | <b>221,343</b>                 | <b>173,034</b>                 |

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 15 to 22 form part of these financial statements.

**BALANCE SHEET****AS AT 31 MARCH 2021**

|                                  | Notes | <b>2021<br/>Total<br/>£</b> | <b>2020<br/>Total<br/>£</b> |
|----------------------------------|-------|-----------------------------|-----------------------------|
| <b>Fixed assets:</b>             |       |                             |                             |
| Investments                      | 7     | <b>205,514</b>              | 158,795                     |
| <b>Total fixed assets</b>        |       | <b>205,514</b>              | 158,795                     |
| <b>Current assets</b>            |       |                             |                             |
| Short-term deposits              |       | <b>26</b>                   | -                           |
| Cash at bank and in hand         |       | <b>15,803</b>               | 14,239                      |
| <b>Total current assets</b>      |       | <b>15,829</b>               | 14,239                      |
| <b>Total net assets</b>          |       | <b>221,343</b>              | 173,034                     |
| <b>The funds of the charity:</b> |       |                             |                             |
| Unrestricted funds               | 8, 9  | -                           | -                           |
| Restricted funds                 | 8, 9  | <b>207,797</b>              | 160,188                     |
| Endowment funds                  | 8, 9  | <b>13,546</b>               | 12,846                      |
| <b>Total funds</b>               |       | <b>221,343</b>              | 173,034                     |

The notes on pages 15 to 22 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London & Chief Financial Officer

XX December 2021



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

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

#### (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 and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from donations and investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has given regard to the ongoing impact of the Coronavirus (COVID-19) pandemic on the future income levels and the liquidity of the charity over the next 12-month period from the date of signing these accounts, and has not identified any indication that the charity will not be able to meet liabilities, including planned liabilities, as they fall due.

The policy of only approving commitments from available income provides the flexibility to ensure the long-term viability of the charity despite previous reductions in investment values that occurred at the start of the pandemic. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

#### (c) Key management judgements and assumptions

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 result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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.

**(d) Statement of Cash Flows**

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, investment income and interest.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under the principal category of 'expenditure on charitable activities'. 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 charity does not employ any staff. Officers of the City Corporation provide additional administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek full reimbursement for the administration incurred from each of its charities.

**(g) 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.

**(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(i) Funds structure**

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

**Permanent endowment fund** – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity and are allocated to the restricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

**Restricted funds** – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

**Unrestricted funds** - these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the permanent endowment funds.

**(j) Insurance**

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

**2. INCOME FROM VOLUNTARY ACTIVITIES**

|                        | <b>Restricted<br/>funds<br/>2020/21<br/>£</b> | <b>Restricted<br/>funds<br/>2019/20<br/>£</b> |
|------------------------|---|---|
| Donations and legacies | <b>6,575</b>                                  | 7,155   |

### 3. INCOME FROM INVESTMENTS

|                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020/21<br>£ |
|-------------------|----------------------------|--------------------------|-----------------------|
| Investment income | 144                        | 8,193                    | 8,337                 |
| Interest          | -                          | 153                      | 153                   |
| <b>Total</b>      | <b>144</b>                 | <b>8,346</b>             | <b>8,490</b>          |

|                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2019/20<br>£ |
|-------------------|----------------------------|--------------------------|-----------------------|
| Investment income | 131                        | 7,206                    | 7,337                 |
| Interest          | -                          | 57                       | 57                    |
| <b>Total</b>      | <b>131</b>                 | <b>7,263</b>             | <b>7,394</b>          |

### 4. EXPENDITURE ON CHARITABLE ACTIVITIES

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2020/21<br>£ |
|-------------------------------|----------------------------|--------------------------|-----------------------|
| <b>2020/21</b>                |                            |                          |                       |
| Prizes awarded - direct costs | 144                        | 6,664                    | 6,808                 |

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2019/20<br>£ |
|-------------------------------|----------------------------|--------------------------|-----------------------|
| <b>2019/20</b>                |                            |                          |                       |
| Prizes awarded - direct costs | 131                        | 7,545                    | 7,676                 |

Charitable activities consist of 251 prizes awarded to individuals (2019/20: 255 prizes).

### 5. AUDITOR'S REMUNERATION

BDO LLP are the auditors of the City of London's City's Cash Fund and all of the different charities of which it is Trustee. The City of London Corporation charges the audit fee to its City's Cash Fund and does not attempt to apportion the audit fee between the different charities.

From 2021/22 the City Corporation, as Trustee, has taken a decision to seek reimbursement for the audit fee incurred from each of its charities. In 2020/21 no audit fee was recharged (2019/20: £nil). No other services were provided to the charity by its auditors during the year (2019/20: nil).

## 6. TRUSTEE'S EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2020/21 (2019/20: nil).

## 7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

|                              | <b>Total<br/>2021<br/>£</b> | <b>Total<br/>2020<br/>£</b> |
|------------------------------|-----------------------------|-----------------------------|
| Market value 1 April         | <b>158,795</b>              | 189,189                     |
| Additions                    | <b>6,693</b>                | 6,335                       |
| Gain / (loss) for the year   | <b>40,026</b>               | (36,729)                    |
| <b>Market value 31 March</b> | <b>205,514</b>              | 158,795                     |
| <b>Cost 31 March</b>         | <b>127,231</b>              | 126,873                     |
| Units held in Charities Pool | <b>23,243</b>               | 22,375                      |

The type of listed investments held as at 31 March was as follows:

|                           | <b>Total at 31<br/>March<br/>2021<br/>£</b> | <b>Total at 31<br/>March<br/>2020<br/>£</b> |
|---------------------------|---|---|
| Equities                  | <b>191,745</b>                              | 141,011                                     |
| Pooled Units              | <b>10,892</b>                               | 11,433                                      |
| Cash held by Fund Manager | <b>2,877</b>                                | 6,351                                       |
| <b>Total</b>              | <b>205,514</b>                              | 158,795                                     |

**8. ANALYSIS OF NET ASSETS BY FUND**

|                            | Restricted<br>funds | Endowment<br>funds | <b>Total at<br/>31 March<br/>2021</b> | Total at<br>31 March<br>2020 |
|----------------------------|---------------------|--------------------|---------------------------------------|------------------------------|
|                            | £                   | £                  | £                                     | £                            |
| Fixed assets - investments | 201,968             | 3,546              | <b>205,514</b>                        | 158,795                      |
| Current assets             | 5,829               | 10,000             | <b>15,829</b>                         | 14,239                       |
| <b>Total</b>               | <b>207,797</b>      | <b>13,546</b>      | <b>221,343</b>                        | <b>173,034</b>               |

At 31 March 2020

|                            | Restricted<br>funds | Endowment<br>funds | Total at<br>31 March<br>2020 | Total at<br>31 March<br>2019 |
|----------------------------|---------------------|--------------------|------------------------------|------------------------------|
|                            | £                   | £                  | £                            | £                            |
| Fixed assets - investments | 155,949             | 2,846              | 158,795                      | 189,189                      |
| Current assets             | 4,239               | 10,000             | 14,239                       | 13,701                       |
| <b>Total</b>               | <b>160,188</b>      | <b>12,846</b>      | <b>173,034</b>               | <b>202,890</b>               |

## 9. MOVEMENT IN FUNDS

| <b>At 31 March 2021</b>                    | Total<br>1 April<br>2020<br>£ | Income<br>£   | Expendi-<br>ture<br>£ | Gains /<br>(Losses)<br>£ | <b>Total 31<br/>March<br/>2021<br/>£</b> |
|--|-------------------------------|---------------|-----------------------|--------------------------|--|
| Unrestricted funds                         | -                             | 144           | (144)                 | -                        | -  |
| Restricted funds                           | 160,188                       | 14,921        | (6,664)               | 39,352                   | <b>207,797</b>                           |
| Endowment funds:<br>Permanent<br>endowment | 12,846                        | -             | -                     | 700                      | <b>13,546</b>                            |
| <b>Total funds</b>                         | <b>173,034</b>                | <b>15,065</b> | <b>(6,808)</b>        | <b>40,052</b>            | <b>221,343</b>                           |

| <b>At 31 March 2020</b>                    | Total<br>1 April<br>2019<br>£ | Income<br>£   | Expendi-<br>ture<br>£ | Gains /<br>(Losses)<br>£ | <b>Total 31<br/>March<br/>2020<br/>£</b> |
|--|-------------------------------|---------------|-----------------------|--------------------------|--|
| Unrestricted funds                         | -                             | 131           | (131)                 | -                        | -  |
| Restricted funds                           | 189,393                       | 14,418        | (7,545)               | (36,078)                 | 160,188                                  |
| Endowment funds:<br>Permanent<br>endowment | 13,497                        | -             | -                     | (651)                    | 12,846                                   |
| <b>Total funds</b>                         | <b>202,890</b>                | <b>14,549</b> | <b>(7,676)</b>        | <b>(36,729)</b>          | <b>173,034</b>                           |

A gain of £40,052 (2019/20: £36,729) occurred on investments, based on valuations as at 31 March 2021. The valuations are linked to the UK stock market, which experienced a significant fall during February and March 2020 as a result of the Coronavirus (COVID-19) pandemic. Most of the losses that occurred have now reversed although valuations have not yet fully recovered to the levels seen in October 2019.

### Purpose of endowment funds

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

**Purpose of restricted funds**

The purpose of this fund is to award prizes in various subjects, with any surplus income carried forward to be used in subsequent years. Awards are funded by donations and any investment income generated.

**Purpose of unrestricted funds**

These funds can be used in accordance with the charitable objects at the discretion of the Trustee and include income generated by assets held within the expendable and permanent endowment funds.

**10. RELATED PARTY TRANSACTIONS**

The City Corporation is the sole Trustee of the charity, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

| <b>Related party</b> | <b>Connected party</b>     | <b>2020/21</b> | <b>2019/20</b> | <b>Detail of transaction</b>         |
|----------------------|----------------------------|----------------|----------------|--------------------------------------|
|                      |                            | <b>£</b>       | <b>£</b>       |                                      |
| Charities Pool       | The Trustee of the charity | <b>8,337</b>   | 7,337          | Distribution from the Charities Pool |



## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Charities administered ICW the City of London Freemen's School

Registered charity number: 312120

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEE:**

The Mayor and Commonalty & Citizens of the City of London

**SENIOR MANAGEMENT:**

**Chief Executive**

John Barradell OBE - the Town Clerk and Chief Executive of the City of London Corporation

**Treasurer**

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation (appointed 1 May 2021)

Dr Peter Kane – The Chamberlain of the City of London Corporation (retired 30 April 2021)

**Solicitor**

Michael Cogher - the Comptroller and City Solicitor of the City of London Corporation

**AUDITORS:**

BDO LLP, 55 Baker Street, London, W1U 7EU

**BANKERS:**

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for the Chamberlain & Chief Financial Officer, to request copies of governance documents:

[PA-DeputyChamberlain@cityoflondon.gov.uk](mailto:PA-DeputyChamberlain@cityoflondon.gov.uk)