

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 2023

Charity registration number 312120

CONTENTS

ORIGINS OF THE CHARITY 1

STRUCTURE AND GOVERNANCE 2

ACHIEVEMENTS AND PERFORMANCE..... 5

FINANCIAL REVIEW 6

STATEMENT OF FINANCIAL ACTIVITIES 8

BALANCE SHEET..... 9

NOTES TO THE FINANCIAL STATEMENTS 10

REFERENCE AND ADMINISTRATION DETAILS 18

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.

On 22 March 2022, the Charity Commission granted a further scheme, which altered and amended the 2011 scheme to merge the 23 individually held funds of any of those charities comprised in the Charities Administered ICW the CLFS which hold permanent endowment, to release the capital from its endowment restrictions to create a single fund with consolidated objectives, known as the CLFS Prizes Fund.

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 Freemen's School.

During 2022/23, the charity submitted resolutions to the Charity Commission resolving to effect the merger of any of those charities comprised in the Charities Administered ICW the CLFS which hold permanent endowment, to release the capital from its endowment restrictions and to replace with the following purposes:

- the promotion of education (including physical education) by the provision of prizes or other suitable rewards or marks of distinction to pupils and former pupils at the City of London Freemen's School;
- the property of all funds shall be transferred to Fund 1 (the "new" general prizes charity) to hold as a restricted fund for the new purposes;
- the "Robert Sayers Youngs Trust Fund" has been identified as the general prizes charity and it has been resolved to change its name to "CLFS Prizes Fund".

The Charity Commission granted this scheme on 14 March 2022. Details and analysis of the merger of the funds is set out within note 9 to the financial statements.

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 Freemen'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 Freemen'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.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance 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.

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 18.

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 18.

ACHIEVEMENTS AND PERFORMANCE

The school awarded 247 prizes during the year (2021/22: 277).

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 Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 10.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2022/23 the charity's total income for the year was £15,950, an overall reduction of £2,889 against the previous year (2021/22: £18,839, an overall increase of £3,774 against the previous year).

Income from charitable activities comprised £6,997 from donations received (2021/22: £7,320). Investment income was £8,645 (2021/22: £11,447) and interest from cash balances was £309 (2021/22: £72).

Expenditure

Total expenditure for the year was £9,161 (2021/22: £6,661), of which £7,462 related to charitable activities and £1,699 related to support costs. This expenditure on charitable activities consisted of prizes awarded to pupils at the school.

Investments performance

Over the course of 2022/23 the Charities Pool investment strategy delivered an absolute return (gross of fees) of +2.22% which was below the FTSE All Share Index benchmark return of +2.92% (2021/22: the investment strategy gained +11.1% versus +13.0% from the benchmark). However, over the longer-term three and five year horizon, performance of the Charities Pool investments, as displayed in the table below, was above benchmark. With effect from 22 July 2022, the Charities Pool transferred its investments from the Artemis Income Fund to the Artemis Income (Exclusions) Fund, which is an unconstrained, multi-cap strategy that aims to generate a rising income stream combined with long-term capital growth. The Fund invests in UK equities and can also hold international equities and bonds. Shares in companies that derive more than 20% of their revenues from tobacco, gambling, weapons and fossil fuels are excluded.

	2022/23		2021/22	
	3 year	5 year	3 year	5 year
Fund	14.06%	5.64%	7.35%	6.16%
FTSE All Share	13.81%	5.04%	5.31%	4.69%
Fund outperformance	+0.25%	+0.60%	+2.04%	+1.47%

Funds held

The charity's total funds held increased by £1,745 (0.7%) to £245,075 as at 31 March 2023 (2021/22: total funds held increased by £21,987 (9.9%) to £243,330 as at 31 March 2022). Investment income was mostly offset by losses on investments held within the City of London Charities Pool based on valuations as at 31 March 2023 resulting in only a slight increase in funds held (2021/22: the increase in funds was largely due to gains of £9,809 on the investments held within the City of London Charities Pool based on valuations as at 31 March 2022).

The scheme granted by the Charity Commission on the 22 March 2022 released the restrictions relating to the permanent endowment funds of the associated charities.

Within the total funds held, £13,774 (2021/22: £13,860) represented permanent endowment funds which were transferred to the restricted fund.

The combined restricted funds amount to £231,216 (2021/22: £243,330) and are comprised of voluntary and investment income, and the released capital endowment funds. Any undistributed restricted income is held for use in future years in accordance with the objectives of the charity.

Income of £1,709 (2021/22: £1,502) arising from the capital held in the restricted funds was credited to the unrestricted fund and was offset by an equal amount of expenditure £1,709 (2021/22: £1,502).

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 £1,600 is required to be held as it represents 12 months of administration costs, which will be subject to annual review.

Current free reserves held are £231,215; this is above the minimum required, which is being factored into plans for future periods, including those noted on page 5.

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.

STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	2022/23 Total Funds £	Comined 2021/22 Total Funds £
Income from:					
Voluntary income	2	-	6,997	6,997	7,320
Investments	3	1,709	7,245	8,954	11,519
Total income		1,709	14,241	15,950	18,839
Expenditure on:					
Charitable activities	4	1,709	7,452	9,161	6,661
Total expenditure		1,709	7,452	9,161	6,661
Net gains/ (losses) on investments	8	-	(5,044)	(5,044)	9,809
Net income/(expenditure) and net movement in funds		-	1,745	1,745	21,987
Reconciliation of total funds:					
Brought forward	7, 8	-	229,470	243,330	221,343
Carried forward	7, 8	-	231,215	245,075	243,330

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 10 to 17 form part of these financial statements.

BALANCE SHEET**AS AT 31 MARCH 2023**

	Notes	2023 Total £	2022 Total £
Fixed assets:			
Investments	6	218,689	223,733
Total fixed assets		218,689	223,733
Current assets			
Cash at bank and in hand		26,386	19,597
Total current assets		26,386	19,597
Total net assets		245,075	243,330
The funds of the charity:			
Unrestricted funds	7, 8	-	-
Restricted funds	7, 8	245,075	243,330
Total funds		245,075	243,330

The notes on pages 10 to 17 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 2023

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 considered the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. It has not identified any indication that the charity will not be able to meet liabilities, including planned commitments, 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 consisted of funds which were 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 represented these funds were able to be spent on the charitable purpose of the charity and were allocated to the restricted income fund. Gains/losses on the underlying assets remained as part of the endowment.

As a result of the merger of the linked charities in 2022/23, the charity's fund structure has changed which has resulted in the transfer of all permanent endowment funds to the restricted funds which have been released from their endowment restrictions.

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

The restricted funds now include the funds of the permanent endowment which have been released from their endowment restrictions.

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

	Restricted funds 2022/23 £	Restricted funds 2021/22 £
Donations and legacies	6,997	7,320

3. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2022/23 £
Investment income	1,709	6,936	8,645
Interest	-	309	309
Total	1,709	7,245	8,954

	Unrestricted funds £	Restricted funds £	Total 2021/22 £
Investment income	1,502	9,945	11,447
Interest	-	72	72
Total	1,502	10,017	11,519

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted funds	Total
	Direct costs	Support costs	Direct costs	
	£		£	£
2022/23				
Prizes awarded	10	1,699	7,452	9,161
2021/22				
Prizes awarded	102	1,400	5,159	6,661

Charitable activities consist of 247 prizes awarded to individuals (2021/22: 277 prizes).

5. 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 2022/23 (2021/22: nil).

6. 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:

	Total 2023	Total 2022
	£	£
Market value 1 April	223,733	205,514
Additions	-	8,410
Gain / (loss) for the year	(5,044)	9,809
Market value 31 March	218,689	223,733
Cost 31 March	141,978	141,978
Units held in Charities Pool	24,140	24,140

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

	Total at 31 March 2023	Total at 31 March 2022
	£	£
Equities	207,186	207,402
Pooled Units	7,173	13,200
Cash held by Fund Manager	4,330	3,131
Total	218,689	223,733

7. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2022

	Unrestricted funds	Restricted funds	Total at 31 March 2023	Total at 31 March 2022
	£	£	£	£
Fixed assets - investments	-	218,689	218,689	223,733
Current assets	-	26,386	26,386	19,597
Total	-	245,075	245,075	243,330

At 31 March 2021

	Unrestricted funds	Restricted funds	Total at 31 March 2022	Total at 31 March 2021
	£	£	£	£
Fixed assets - investments	-	223,733	223,733	205,514
Current assets	-	19,597	19,597	15,829
Total	-	243,330	243,330	221,343

8. MOVEMENT IN FUNDS

At 31 March 2023	Total 1 April 2022 £	Income £	Expendi- ture £	Gains / (Losses) £	Total 31 March 2023 £
Unrestricted funds	-	1,709	(1,709)	-	-
Restricted funds	243,330	14,241	(7,452)	(5,044)	245,075
Total funds	243,330	15,950	(9,161)	(5,044)	245,075
		-	-	-	

At 31 March 2022	Total 1 April 2021 £	Income £	Expendi- ture £	Gains / (Losses) £	Total 31 March 2022 £
Unrestricted funds	-	1,502	(1,502)	-	-
Restricted funds	221,343	17,337	(5,159)	9,809	243,330
Total funds	221,343	18,839	(6,661)	9,809	243,330

A loss of £5,044 (2020/21: gain of £9,809) occurred on investments, based on valuations as at 31 March 2023.

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.

As a result of the merger of the linked charities in 2022/23, the charity's fund structure has changed which has resulted in the transfer of all permanent endowment funds to the restricted fund which have been released from their endowment restrictions.

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 permanent endowment funds.

9. MERGER

On 22 March 2022, the Charity Commission granted a further scheme, which altered and amended the 2011 scheme to merge the 23 individually held funds of any of those charities comprised in the Charities Administered ICW the CLFS which hold

permanent endowment, to release the capital from its endowment restrictions to create a single fund with consolidated objectives, known as the CLFS Prizes Fund.

The CLFS Prizes Fund is held in the restricted funds of the charity.

Analysis of principal SOFA components for 2022-23

	Restricted Fund £	Endowment Funds £	Restricted Fund (post-merger) £
Total income	15,950	-	15,950
Total expenditure	9,161	-	9,161
Net income/(expenditure)	6,790	-	6,790
Other gains/(losses)	(4,959)	(86)	(5,044)
Net movement in funds	1,831	(86)	1,745

Analysis of principal SoFA components for 2021-22

	Restricted Fund £	Endowment Funds £	Restricted Fund (post-merger) £
Total income	17,337	-	17,337
Total expenditure	5,159	-	5,159
Net income/(expenditure)	12,178	-	12,178
Other gains/(losses)	9,495	314	9,809
Net movement in funds	21,673	314	21,988
Total funds brought forward	207,797	13,546	221,343
Total funds carried forward	229,470	13,860	243,330

Analysis of net assets at the date of the merger

	Restricted Fund £	Endowment Funds £	Restricted Fund (post-merger) £
Net assets	231,301	13,774	245,075

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.

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

Related party	Connected party	2022/23	2021/22	Detail of transaction
		£	£	
Charities Pool	The Trustee of the charity	8,645	11,447	Distribution from the Charities Pool
City of London Corporation	The City of London Corporation is the Trustee of the charity	1,699	1,400	Management and administration fees (charged for the first time in 2021/22)

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: Charities administered ICW the City of London Freeman'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 (retired 31 December 2022)

Ian Thomas CBE - the Town Clerk and Chief Executive of the City of London Corporation (appointed 1 January 2023)

Treasurer

Caroline Al-Beyerty - The Chamberlain & Chief Financial Officer of the City of London Corporation

Solicitor

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

BANKERS:

Lloyds Bank Plc., P.O. Box 1000, BX1 1LT

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:

CHBOffice-BusinessSupport@cityoflondon.gov.uk