

## City of London Corporation Committee Report

<b>Committee(s):</b> Audit and Risk Management Committee – For decision Finance Committee – For decision	<b>Dated:</b> 04/11/2024 12/11/2024
<b>Subject:</b> Sundry Trusts financial statements	<b>Public report:</b> For Decision
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	N/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Chamberlain	
<b>Report author:</b> Iain Jenkins, Chief Accountant	

### Summary

This report seeks approval of the annual reports and financial statements for the 11 Sundry Trust charities listed at **Appendix 1** for the year ended 31 March 2024.

Of the 11 charities, 3 annual reports and financial statements are audited by Crowe U.K. LLP, 4 are subject to an independent examination by Crowe U.K. LLP (“Crowe”), and 4 are below the threshold for an audit or independent examination.

Where the Corporation is Trustee, the Finance Committee approves the annual reports; if charities have individual trustees, or the Trustee is acting through the Court of Aldermen (as indicated in **Appendix 1**), the reports are approved by the respective trustees or the Aldermen following recommendation by this Committee.

The draft annual report and financial statements for each charity for the year ended 31 March 2023 are attached at **Appendix 2** for approval.

Crowe’s work on the audits and independent examinations of the charities remains in progress at the date this report was submitted (October 2024). To date although a number of control points and adjustments have been identified in respect of and on this basis we understand that Crowe currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report.

## Recommendation(s)

The Audit and Risk Management Committee are asked to:

- **Consider** the contents of the audit management report issued by Crowe U.K. LLP (comments related to these charities are included within the paper covering City's Estate);
- **Note** that the external auditor Crowe is anticipating giving an unqualified audit opinion on 3 audited charity annual reports;
- **Note** that the independent examiner Crowe is anticipating giving an unmodified report for the 8 independently examined charity annual reports;
- **Note** for information the 3 sets of annual reports which are not subject to audit and independent examination; and
- **Recommend** approval of the annual reports of the 14 charities presented for the year ended 31 March 2024, to the Finance Committee for those charities where the Corporation is Trustee; to the Aldermen for the Emmanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity (see **Appendix 1** for charity registration numbers).

## Main Report

### Background

1. The 2023-24 Annual Report and Financial Statements for 11 Sundry Trust charities for the year ended 31 March 2024 are presented for review.
2. The annual reports of the Sundry Trusts have been prepared in accordance with the 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.
3. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end, that is by 31 January 2025. A failure to meet deadlines is recorded on the charity's entry on the Charity Commission website. There are no financial penalties incurred. In addition, the City of London Almshouses charity is regulated by the Regulator for Social Housing with a submission deadline of 6 months from the financial year end, that is 30 September 2024.
4. 11 annual reports and financial statements are presented for the Sundry Trusts of which the City Corporation is Trustee. A summary of the required form of assurance provided by Crowe is provided in the table below:

<b>Type of review</b>	<b>Number of sundry trust charities</b>
Audit	3
Independent examination	4
No review required	4

### **Current Position**

5. The external auditor (Crowe) is expected to give an unqualified opinion on the annual reports and financial statements of each of the 3 Sundry Trust charities subject to an audit.
6. For the sets of annual reports and financial statements which are subject to an independent examination, the independent examiner (Crowe) is not expected to modify their report. An independent examination offers negative assurance, that no evidence has been found that the accounts have not been prepared properly, as opposed to an audit opinion that confirms that the accounts show a “true and fair” view

### **Progress and Submission of Signed Annual Reports and Financial Statements**

7. Crowe’s work remains in progress, with review of the annual reports and some areas of audit/IE work ongoing. It is anticipated that the audits will be concluded satisfactorily to enable Crowe to issue unqualified opinions/unmodified reports as stated within paragraph 5 of this report.
8. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audits and to clarify any points or issues raised.
9. Each set of signed annual reports will be submitted to the Charity Commission and will be available to download from its website. The final management report from Crowe on its audit will be presented to the Court of Common Council for information.

### **Corporate & Strategic Implications**

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications – None

Equalities implications – None

Climate implications - None

Security implications - None

## **Conclusion**

10. The draft annual reports and financial statements of the Sundry Trust charities are presented for recommendation to Finance Committee, the Aldermen or the individual charity Trustees as applicable. At the date of this report, no modifications to audit or independent examiner reports are expected, with Crowe still needing to complete work on all charities subject to audit or independent examination. Four of the annual reports do not require independent review due to their size and are presented for information.

## **Appendices**

Appendix 1 – List of charities

Appendix 2 - Annual Reports and Financial Statements of the Sundry Trust charities

**Iain Jenkins**

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