

***CHARITIES ADMINISTERED IN CONNECTION WITH (ICW)
THE CITY OF LONDON FREEMEN'S SCHOOL***

***REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015***

Charity Number: 312120

**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

**Trustee's Annual Report and Financial Statements
for the year ended 31 March 2015**

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**CHARITIES ADMINISTERED ICW
THE CITY OF LONDON FREEMEN'S SCHOOL**

Trustee's Annual Report for the year ended 31 March 2015

1. Reference and Administration Details

Charity Name	Charities Administered ICW the City of London Freemen's School
Registered Charity Number:	312120
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City Of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Investment Fund Managers:	Artemis Investment Management LLP
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 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. The Funds are registered under the same name for administrative purposes.

Trustee

The body corporate known as The City of London Corporation is the Trustee of Charities Administered in connection with (ICW) the City of London Freemen's School, acting through the Board of Governors of The City of London Freemen's 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 Charities Administered ICW the City of London Freemen's School.

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Trustee's Annual Report (continued)

2. Structure, Governance and Management (continued)

Organisational structure and decision making process

The charity is administered under the governance rules applying to the City of London Corporation and its governance and administration is in accordance with the Standing Orders and Financial Regulations of the City of London Corporation. These regulations are available from the Town Clerk of the City of London at the principal address.

Related Parties

Details of any related party transactions are disclosed in note 10 to the Financial Statements.

Risk identification

The Trustee is committed to a programme of risk management as an element of their strategy to preserve the charity's assets, enhance productivity for service users and members of the public and protect its employees.

In order to embed sound practice a Risk Management Group has been established in 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 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.

A key risk register has been prepared for this charity and has been reviewed by the Trustees. 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 funds are used to provide prizes in various subjects. The funds may also be used to assist children to study various subjects at school and to aid school pupils who have gone on to University.

The Trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

4. Achievements and Performance

The school awarded 245 book prizes during the year (2013/14: 247).

5. Financial Review

During the year ended 31 March 2015 total funds increased by £11,698 (2013/14: total funds increased by £9,238) to £172,844 (2013/14: £161,146). This movement comprised the following:-

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Trustee's Annual Report (continued)

5. Financial Review (continued)

- i) a net gain on investments of £7,798 (2013/14: net gain of £6,130);
- ii) income of £11,341 (2013/14: £10,520) which comprised investment income of £4,891 (2013/14: £4,275) and voluntary income of £6,450 (2013/14: £6,245); and
- iii) expenditure of £7,441 (2013/14: £7,412) relating to 245 book prizes (2013/14: 247 book prizes).

Going Concern

The Trustee considers the Charity to be a going concern for the foreseeable future as detailed in the Accounting Policies note 1(b).

Reserves Policy

The Reserves Policy is to maintain the capital base of the charity in investments in the Charities Pool administered by the City of London Corporation and use the investment income in accordance with the objectives of the charity.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool. The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It 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. 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 are available from the Chamberlain of London.

6. 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.

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Trustee's Annual Report (continued)

7. The Financial Statements

These consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the Trust.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust.
- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)*.

8. Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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; 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 disclose with reasonable accuracy at any time the financial position of the charity and enables the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and provisions of the governing document. 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.

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Trustee's Annual Report (continued)

9. Adopted and signed for on behalf of the Trustee on 21 July 2015.

Roger A.H. Chadwick
Chairman of Finance Committee
Guildhall, London

Jeremy Paul Mayhew MA MBA
Deputy Chairman of
Finance Committee

Independent Auditor's Report to the Trustees of The Charities Administered In Connection With The City of London Freemen's School

We have audited the financial statements of the charities administered in connection with the City of London Freemen's School for the year ended 31 March 2015 which are set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee, 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 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 its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 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

Independent Auditor's Report to the Trustees of The Charities Administered In Connection With The City of London Freemen's School (Continued)

- have been prepared in accordance with the requirements of the Charities Act 2011.

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.

Moore Stephens LLP

Moore Stephens LLP

Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

28 July 2015

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of Financial Activities for the year ended 31 March 2015

	Note	Restricted Fund £	Endowment Fund £	Total 2014/15 £	Total 2013/14 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		6,450	-	6,450	6,245
Investment income					
Managed investment income		4,471	-	4,471	3,528
Interest receivable		420	-	420	747
Total incoming resources	3	<u>11,341</u>	-	<u>11,341</u>	<u>10,520</u>
Resources expended					
Charitable activities					
Scholarships and prizes awarded		7,441	-	7,441	7,412
Total resources expended	4	<u>7,441</u>	-	<u>7,441</u>	<u>7,412</u>
Net incoming resources before other recognised gains		3,900	-	3,900	3,108
Other recognised gains					
Net gain on revaluation	7	7,598	200	7,798	6,130
Net movement in funds		<u>11,498</u>	<u>200</u>	<u>11,698</u>	<u>9,238</u>
Reconciliation of funds					
Total funds brought forward	9	148,034	13,112	161,146	151,908
Total funds carried forward	9	<u>159,532</u>	<u>13,312</u>	<u>172,844</u>	<u>161,146</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 2015

	Note	2015 £	2014 £
Fixed Assets			
Managed Investments - 17,863 Charities Pool Units	7	147,548	89,752
Current Assets			
Cash at bank and in hand		25,296	71,394
Total Assets	8	<u>172,844</u>	<u>161,146</u>
 The funds of the charity:			
Restricted Fund		159,532	148,034
Endowment Fund		<u>13,312</u>	<u>13,112</u>
Total funds	9	<u>172,844</u>	<u>161,146</u>

Approved and signed for and on behalf of the Trustee

The notes at pages 11 to 15 form part of these accounts.



Dr Peter Kane
Chamberlain of London
21 July 2015

**CHARITIES ADMINISTERED ICW
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Notes to the Financial Statements for the year ended 31 March 2015

1. Accounting Policies

The following accounting policies have been applied consistently throughout the year and in the preceding year 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 in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)* and under the historical cost accounting rules modified to include the revaluation of investments, and in accordance with applicable United Kingdom accounting standards and the Charities Act 2011.

Activity is accounted for in the year that it takes place on an accruals basis, not simply when cash payments are made or received. In particular, where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

(b) Going Concern

The Trust is considered a going concern for the foreseeable future as the Trustee has due regard to maintaining the capital base and only donations and investment income are generally used in furtherance of the objectives of the Trust. Part of the Charity's income is from investments in the Charities Pool administered by the City of London Corporation. The Pool's investment policy is set out in Section 5 of the Annual Report.

(c) Managed Investments

Investments are valued annually at the middle market price at the close of business on 31 March. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

The unrealised gain on investments at the balance sheet date is included in the charity's funds.

(d) Investment Income

Investment income consists of distributions from the Charities Pool and interest receivable on cash balances.

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It 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.

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Notes to the Financial Statements for the year ended 31 March 2015

1. Accounting Policies (continued)

(e) Fund Accounting

The funds of the charity consist of a permanent endowment fund that holds the original endowment of the charity, which is invested and shown at market value, and a restricted fund that contains any undistributed annual income carried forward for use in future years.

(f) Cash Flow Statement

The Trust has taken advantage of the exemption in Financial Reporting Standard 1 (Revised) from the requirement to produce a cash flow statement on the grounds that it is a small entity.

2. Tax Status of the Charity

As a registered charity income and gains are exempt from income tax to the extent that they are applied to charitable purposes.

3. Incoming Resources

Incoming resources are analysed as follows:

	2014/15	2013/14
	£	£
Voluntary Income		
Donations	6,450	6,245
Investment Income		
Managed Investment Income	4,471	3,528
Interest Receivable	420	747
Total Incoming Resources	11,341	10,520

Voluntary Income

Voluntary income consists of donations from individuals amounting to £6,450 (2013/14: £6,245).

Investment Income

Consists of income derived from the investments in the City of London Corporation's Charities Pool noted in 1(d) and interest received on cash balances which amounted to £4,891 (2013/14: £4,275).

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Notes to the Financial Statements for the year ended 31 March 2015

4. Resources Expended

Resources expended are analysed as follows:-

	2014/15	2013/14
	£	£
Charitable Activities		
Prizes Awarded	7,441	7,412
Total Resources Expended	7,441	7,412

Charitable activities

Charitable activities consist of 245 book prizes awarded to individuals amounting to £7,441 (2013/14: 247 book prizes amounting to £7,412).

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.

Auditor's remuneration and fees for external financial services

The City of London's external auditor audits this charity as one of the numerous charities administered by the City of London Corporation. The City of London 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 its 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

Trustees' expenses

Members of the City of London Corporation acting on behalf of the Trustee received no remuneration or reimbursement of expenses during the current or previous year.

7. Investment assets

The value and cost of investments are comprised as follows:

	Restricted Fund	Endowment Fund	Total 2015	Total 2014
	£	£	£	£
Market Value 1 April	86,640	3,112	89,752	83,622
Purchase of Charities Pool Units (1)	49,998	-	49,998	-
Net investment gains	7,598	200	7,798	6,130
Market value 31 March	144,236	3,312	147,548	89,752
Cost when purchased	83,266	5,133	88,399	38,401
Units in Charities Pool (Units)	17,462	401	17,863	11,566

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Notes to the Financial Statements for the year ended 31 March 2015

7. Investment Assets (continued)

The geographical spread of listed investments at 31 March was as follows:

	2015 £	2014 £
Equities:		
UK	116,008	66,770
Overseas	21,991	17,214
Bonds: UK	3,665	2,493
Pooled Units: UK	4,756	1,160
Cash Held By Fund Manager	1,128	2,115
Total Funds	147,548	89,752

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on balances held on behalf of the Trust. The investments are managed by Artemis Investment Management LLP and the performance of the fund is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Fund is also measured against its peer group using the WM Charity Universe (ex-property).

As at 31 March 2015 the fund achieved a return of 10.5% compared to the FTSE All Share Index return of 6.6%. The WM Charity Universe return was 12.3% and the fund slightly underperformed this by 1.8%.

- (1) As agreed by the Board of Governors of the City of London Freeman's School Board at their meeting on 7 October 2014, cash of £50,000 in the Charities Administered ICW The City of London Freeman's School be invested in The City of London Charities Pool. Accordingly, a total of 6,297 units were purchased at £7.94 per unit.

8. Analysis of net assets by fund at 31 March 2015

	Restricted Fund	Endowment Fund	Total 2015	Total 2014
	£	£	£	£
Fixed Assets				
Investments	144,236	3,312	147,548	89,752
Total Fixed Assets	144,236	3,312	147,548	89,752
Current Assets	15,296	10,000	25,296	71,394
Total Net Assets	159,532	13,312	172,844	161,146

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Notes to the Financial Statements for the year ended 31 March 2015

9. Movement of Funds during the year to 31 March 2015

	Balance at 1 April 2014	Net Incoming Resources	Net gain on revaluation	Balance at 31 March 2015
	£	£	£	£
Restricted Fund	148,034	3,900	7,598	159,532
Permanent Endowment Fund	13,112	-	200	13,312
Total Funds	161,146	3,900	7,798	172,844

Notes to the funds:

Restricted Fund

Income is credited to this fund and awards are charged to it each year. Surplus income is carried forward in this fund to be used in subsequent years.

Permanent Endowment Fund

This represents permanent endowments to the charity and the revaluation of investments to show their current market value.

10. Details of related parties and wider networks

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 concerning related party transactions.

The City of London Corporation is also the Trustee of a number of other Charitable Trusts. With the exception of the City of London Charities Pool, these Trusts do not undertake transactions with the Charities Administered ICW the City of London Freeman's School. A full list of these Trusts is available on application to the Chamberlain of London.

The Trust has investments in the City of London Charities Pool of which the City of London Corporation is also the Trustee. Investment income from the Charities Pool in 2014/15 amounted to £4,471 (2013/14: £3,528).