

***CITY OF LONDON FREEMEN'S SCHOOL
BURSARY FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015***

Charity Number: 284769

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

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CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

1. Reference and Administration Details

Charity Name	City of London Freeman's School Bursary Fund
Registered Charity Number:	284769
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 150 Aldersgate Street London EC1A 4AB

2. Structure, Governance and Management

The Governing Documents and constitution of the charity

The administration of the City of London Freeman's School Bursary Fund is set out in the governing Scheme approved by The Charity Commission for England and Wales on 1 December 2011. This Scheme replaces the previous governing document dated 30 April 1982 and its supplementary deeds of 25 August 1993 and 29 April 1997.

Trustee

The body corporate known as The City of London Corporation is the Trustee of The City of London Freeman's School Bursary Fund, acting through the Board of Governors of The City of London Freeman'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 City of London Freeman's School Bursary Fund.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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 the 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 on-going 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 Trustee. 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 City of London Freeman's School Bursary Fund was established in April 1982. The original funds are invested and distributed by the Trustee.

The object of the Charity is the promotion of education (including physical training) by the provision of bursaries and other forms of financial assistance for fees and/or other costs incurred through attendance at the School to enable pupils to further their education at the School by for example providing financial assistance to those who would not be able to enter the School having been accepted, or having commenced education at the School would not be able to continue their education at the School. Income can also be used for such other charitable purposes as shall be associated with the school, as the Trustee shall direct.

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

4. Targets, Achievements and Performance for 2014/15

The target for 2014/15 was to continue to contribute towards fees of pupils where financial hardship would cause the pupil to be unable to enter or continue at the School. In line with this, three bursaries (2013/14: two bursaries) were awarded during the year amounting to £22,038 (2013/14: £19,068).

5. Financial Review

During the year ended 31 March 2015 total funds increased by £63,629 (2013/14: total funds increased by £65,704) to £805,928 (2013/14: £742,299). This movement comprised the following:-

- i) a net gain on investments of £42,910 (2013/14: a net gain of £36,205);
- ii) voluntary income of £16,636 (2013/14: voluntary income of £25,659);
- iii) investment income of £26,794 (2013/14: £23,356); and
- iv) expenditure on charitable activities of £22,711 (2013/14: £19,516) which was made up of three bursary awards (2013/14 two bursary awards) amounting to £22,038 (2013/14: £19,068) and bursary administration costs of £673 (2013/14: £448).

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 expendable endowment of the charity in investments in the Charities Pool administered by the City of London Corporation and to 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Trustee's Annual Report (continued)

6. Plans for Future Periods

The objective for 2015/16 is to continue to contribute towards the fees payable to the School of pupils, who, but for financial assistance, would not be able to continue at or enter the School.

7. The Financial Statements

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

- **Statement of Financial Activities** showing all incoming resources and all expenditure incurred and reconciling all changes in funds of the Trust.
- **Balance Sheet** setting out the assets and liabilities 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 the provisions of the trust deed. 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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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 City of London Freemen's School Bursary Fund

We have audited the financial statements of The City of London Freemen's School Bursary Fund 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 City of London Freemen's School Bursary Fund (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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Statement of Financial Activities for the year ended 31 March 2015

	Note	Endowment Fund £	Total 2014/15 £	Total 2013/14 £
Incoming resources				
Incoming resources from generated funds				
Voluntary income		16,636	16,636	25,659
Investment income				
Managed investment income		25,749	25,749	21,330
Interest receivable		1,045	1,045	2,026
Total incoming resources	3	<u>43,430</u>	<u>43,430</u>	<u>49,015</u>
Resources expended				
Charitable activities				
Bursaries awarded	4	22,038	22,038	19,068
Bursary administration	4 & 5	673	673	448
Total resources expended	4	<u>22,711</u>	<u>22,711</u>	<u>19,516</u>
Net incoming resources before other recognised gains				
		20,719	20,719	29,499
Other recognised gains				
Net gain on revaluation	7	42,910	42,910	36,205
Net movement in funds		<u>63,629</u>	<u>63,629</u>	<u>65,704</u>
Reconciliation of funds				
Total funds brought forward	9	742,299	742,299	676,595
Total funds carried forward	9	<u>805,928</u>	<u>805,928</u>	<u>742,299</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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Statement of Financial Activities for the year ended 31 March 2015

	Note	Endowment Fund £	Total 2014/15 £	Total 2013/14 £
Incoming resources				
Incoming resources from generated funds				
Voluntary income		16,636	16,636	25,659
Investment income				
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Net movement in funds		<u>63,629</u>	<u>63,629</u>	<u>65,704</u>
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Total funds brought forward	9	742,299	742,299	676,595
Total funds carried forward	9	<u>805,928</u>	<u>805,928</u>	<u>742,299</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.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

Balance Sheet as at 31 March 2015

	Note	2015 £	2014 £
Fixed Assets			
Managed Investments – 89,673 Charities Pool Units	7	740,699	612,799
Current Assets			
Cash at bank and in hand		72,575	135,856
Creditors: amounts falling due within one year	8	(7,346)	(6,356)
Net Current Assets	8	65,229	129,500
Total Assets less Current Liabilities		805,928	742,299
 The funds of the charity:			
Endowment Fund		805,928	742,299
Total funds	9	805,928	742,299

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

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

1. Accounting Policies (continued)

(f) *Fund Accounting*

The charity comprises a single Endowment Fund which is expendable.

(g) *Cash Flow Statement*

The Fund 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

City of London Freeman's School Bursary Fund is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

3. Incoming Resources

Incoming resources are analysed as follows:

	2014/15	2013/14
	£	£
Voluntary Income		
Donations	16,636	25,659
Investment Income		
Managed investment income	25,749	21,330
Interest received	1,045	2,026
Total Incoming Resources	43,430	49,015

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 £26,794 (2013/14: £23,356).

4. Resources Expended

Resources expended are analysed as follows:

	2014/15	2013/14
	£	£
Charitable Activities		
Bursaries Awarded	22,038	19,068
Bursary Administration	673	448
Total Resources Expended	22,711	19,516

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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

4. Resources Expended (continued)

Charitable activities

Three bursary awards were made during the year (2013/14: two bursary awards were made during the year). Included in the charitable activities are bursary administration costs (refer to note 5 below for details of these).

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. However, some administration services concerned with Bursary Administration are directly charged to the charity. Such costs charged to the fund in 2014/15 amounted to £673 (2013/14: £448).

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 Fund during the year or in the previous year.

6. Other Items of Expenditure

Trustee 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 is comprised as follows:

	Endowment Fund	
	2015	2014
	£	£
Market Value 1 April	612,799	447,205
Purchase of Charities Pool units (1)	84,990	129,389
Net investment gains	42,910	36,205
Market value 31 March	740,699	612,799
Cost when purchased	494,748	409,758
Units in Charities Pool (Units)	89,673	78,969

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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	582,365	455,886
Overseas	110,400	117,532
Bonds UK	18,398	17,019
Pooled Units: UK	23,875	7,921
Cash Held By Fund Manager	5,661	14,441
Total Funds	740,699	612,799

The majority of the charity's surplus funds are invested with 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 Freemen's School Board at their meeting on 7 October 2014, cash of £85,000 in the City of London Freemen's School Bursary Fund be invested in The City of London Charities Pool. Accordingly, a total of 10,704 units were purchased at £7.94 per unit.

8. Analysis of Net Assets by Fund at 31 March 2015

	Endowment Fund	Total 2015	Total 2014
	£	£	£
Fixed Assets			
Investments	740,699	740,699	612,799
Total Fixed Assets	740,699	740,699	612,799
Current Assets	72,575	72,575	135,856
Current Liabilities (1)	(7,346)	(7,346)	(6,356)
Net Current Assets	65,229	65,229	129,500
Total Assets	805,928	805,928	742,299

- (1) Current liabilities represent bursaries awarded by the Trust for the Summer term 2015.

CITY OF LONDON FREEMEN'S SCHOOL BURSARY FUND

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
	£	£	£	£
Endowment Fund:				
Expendable	742,299	20,719	42,910	805,928
Total Funds	742,299	20,719	42,910	805,928

Notes to the funds:

Expendable Endowment Fund

This fund comprises donations to the charity, which are invested in the Charities Pool and investment income. Awards are charged to the fund each year and surplus income is carried forward to be used in subsequent years.

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 Funds. With the exception of the City of London Charities Pool, these Funds do not undertake transactions with the City of London Freeman's School Bursary Fund. A full list of these Funds is available on application to the Chamberlain of London.

The Fund 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 £25,749 (2013/14: £21,330).