

Committee(s):	Date(s):
Board of Governors City of London Freeman's School	3 October 2016
Subject: City of London Freeman's School Bursary Fund - Draft 2015/16 Report and Financial Statements	Public
Report of: The Chamberlain	For Decision
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Summary

This report provides Governors with a copy of the draft 2015/16 Report and Financial Statements for the City of London Freeman's School Bursary Fund (charity number: 284769), and an opportunity to consider whether part of the cash balance should be invested in the City of London Charities Pool.

During the year ended 31 March 2016 total funds decreased by £14,307 to £791,621 (2014/15: total funds increased by £63,629 to £805,928). This £14,307 comprised the following:-

- i) a net loss on investments of £42,147 (2014/15: a net gain of £42,910);
- ii) expenditure of £36,874 (2014/15: £22,711) comprising 4 bursary awards amounting to £35,977 (2014/15: three bursary awards amounting to £22,038) and bursary administration costs of £897 (2014/15: £673); offset by
- iii) donations and legacies of £37,612 (2014/15: £16,636); and
- iv) investment income of £27,102 (2014/15: £26,794).

The cash balance held as at 31 March 2016 was £105,061 (2014/15: £72,575). However, £50,000 was invested in the City of London Charities Pool on 1 April 2016 as previously agreed by Governors. Accordingly, 6,410 charities pool units were purchased at £7.80 per unit therefore reducing the cash balance to £55,063 as at 1 April 2016.

Expenditure from this fund over the previous three years has averaged £26,367 per annum. To provide an opportunity to earn potentially higher returns than interest on cash balances (0.611% for 2015/16 and estimated to be less than 0.5% in the current year), Governors are requested to consider investing a further proportion of the cash balance in the City of London Charities Pool.

The investments are managed by Artemis Investment Management LLP and the performance of the Pool is measured against the fund manager benchmark (FTSE All Share Index). In addition the performance of the Pool is also measured against its peer group using the WM Charity Universe (ex-property).

The table below shows the performance of the Pool compared to the benchmark (FTSE All share) and its peer group (Charity Universe). For the year to 31 March 2016 the Pool achieved a return of -1.1% compared to the FTSE All Share Index return of -3.9%. The Pool also outperformed the FTSE All Share Index over 3, 5 and 10 year time periods. The WM Charity Universe return was -1.0% in the year to 31 March 2016 and the Pool slightly underperformed this by 0.1%. However, as shown in the table, the Pool outperformed the Charity Universe over all time periods over 1 year.

	FTSE All Share %	Charity Universe %	Charities Pool %
1 Year	-3.9	-1.0	-1.1
3 Years	3.7	5.8	7.0
5 Years	5.7	6.7	9.4
10 Years	4.7	5.4	6.9

Recommendations

It is recommended that Members receive the annual report and financial statements for information and consider whether to invest part of the cash balance in the City of London Charities Pool.

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