

Committee	Date:	Item no.
Board of Governors of the City of London Freemen's School	Monday, 25 September 2017	
Subject: Draft Annual Report and Financial Statements for the year ended 31 March 2017 for the Charities Administered in connection with The City of London Freemen's School		Public
Report of: The Chamberlain		For Decision
Report author: Steven Reynolds, Chamberlain's Department		
<p style="text-align: center;">Charities Administered in connection with The City of London Freemen's School (charity number: 312120) Draft Annual Report and Financial Statements for the year ended 31 March 2017</p> <ol style="list-style-type: none"> 1. This report provides Governors with a copy of the draft Annual Report and Financial Statements for the Charities Administered in connection with The City of London Freemen's School (charity number: 312120) for the year ended 31 March 2017, and an opportunity to consider whether part of the cash balance should be invested in the City of London Charities Pool. 2. During the year ended 31 March 2017 total funds increased by £23,497 (2015/16: total funds decreased by £4,373) to £191,968 (2015/16: £168,471). This movement comprised the following:- <ul style="list-style-type: none"> • a net gain on investments of £18,382 (2015/16: a net loss of £8,395); • investment income of £6,229 (2015/16: £5,422); • voluntary income of £6,040 (2015/16: voluntary income of £6,125); and • expenditure of £7,154 (2015/16: £7,525) relating to 230 book prizes (2015/16: 231 book prizes). 3. The charity's available cash balance at 31 March 2017 was £19,434. However, £6,862 of this balance was invested in the City of London Charities Pool on 1 April 2017, as agreed by the Board of Governors at its meeting on 2 February 2017, thereby reducing the cash balance to £12,572 as at 1 April 2017. 4. This report asks Governors to consider whether it wishes to make a further investment in the Charities Pool. Investment in the Charities Pool provide an opportunity to earn potentially higher returns than interest on cash balances (0.604% for 2016/17 and estimated to be less than 0.5% for 2017/18). 		

5. Expenditure from this charity over the previous three years is shown in the table below, an average of £7,373 per annum.

	2016/17	2015/16	2014/15
Income	12,269	11,547	11,341
Expenditure	7,154	7,525	7,441
Net Income/(Expenditure)	5,115	4,022	3,900
Cash Balance 31 March	19,434	29,318	25,296
Purchase of Charities Pool units	6,862	14,999	-
Cash Balance 1 April	12,572	14,319	25,296

6. It is suggested that sufficient cash be retained by the charity to cover one year's worth of expenditure. Therefore, based on the available cash as at 1 April 2017 of £12,572, less the average expenditure over the past three years of £7,373 it is recommended that a further investment of £5,199 in the Charities Pool is made.
7. The next review of the available cash balance will be presented to this Board in June 2018, in time to meet the 1 October deadline for investment or disinvestment in the Pool, should this be required.

Recommendations

8. It is recommended that Governors:
- receive the draft 2016/17 Annual Report and Financial Statements for the Charities Administered in connection with The City of London Freemen's School (charity number: 312120);
 - endorse that cash of £5,199 be invested in the Charities Pool on 1 October 2017; and
 - note that the next review of the available cash balance will be presented to the June 2018 Board meeting.

Contact:

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