

Committee	Date:	Item no.
Board of Governors of the City of London Freemen's School	Monday, 25 September 2017	
Subject: The City of London Freemen's School Bursary Fund Draft Annual Report and Financial Statements for the year ended 31 March 2017		Public
Report of: The Chamberlain		For Decision
Report author: Steven Reynolds, Chamberlain's Department		
<p style="text-align: center;">The City of London Freemen's School Bursary Fund 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 City of London Freemen's School Bursary Fund (charity number: 284769) 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 £123,843 (2015/16: total funds decreased by £14,307) to £915,464 (2015/16: £791,621). This movement comprised the following:- <ul style="list-style-type: none"> • a net gain on investments of £89,293 (2015/16: a net loss of £42,147); • investment income of £30,142 (2015/16: £27,102); • voluntary income of £16,768 (2015/16: voluntary income of £37,612); and • expenditure on charitable activities of £12,360 (2015/16: £36,874) which was made up of two bursary awards (2015/16: four bursary awards) amounting to £11,464 (2015/16: £35,977) and bursary administration costs of £896 (2015/16: £897). 3. The charity's available cash balance at 31 March 2017 was £81,442. However, £28,696 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 £52,746 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 £23,982 per annum.

	2016/17	2015/16	2014/15
	£	£	£
Income	46,910	64,714	43,430
Expenditure	12,360	36,874	22,711
Net Income/(Expenditure)	34,550	27,840	20,719
Cash Balance 31 March	81,442	105,061	72,575
Purchase of Charities Pool units	28,696	49,998	-
Cash Balance 1 April	52,746	55,063	72,575

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 £52,746, less the average expenditure over the past three years of £23,982, it is recommended that a further investment of £28,764 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 City of London Freemen's School Bursary Fund;
 - endorse that cash of £28,764 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.

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