

The City of London Charities Pool

**Annual Report and Financial Statements for the year
ended 31 March 2021**

Charity registration number 1021138

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TRUSTEE ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

The governing documents are the scheme approved by the Charity Commission on 23 January 2012, which replaced a previous governing Scheme dated 20 July 1967.

GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of The City of London Charities Pool. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Key Committee which had responsibility for directly managing matters related to the charity during 2020/21 was the Finance Committee which has delegated its authority to the Financial Investment Board (one of its sub-committees). The Board is responsible for the Investment Strategy of the Charities Pool including the monitoring of the professional investment manager, Artemis Investment Management, which manages the investments on a daily basis. The above committees are ultimately responsible to the Court of Common Council of the City of London. Most of the Committee's meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk.

The trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance commenced during 2019/20 and is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 29.

Each Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

INDUCTION AND TRAINING OF MEMBERS

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of The City of London Charities Pool. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

OBJECTIVES AND ACTIVITIES

The key objective of the charity is to provide small charities linked with the City of London the opportunity to obtain better returns than could generally be achieved if investments were made individually.

In so doing, the Charities Pool provides income to enable these small charities to pursue their respective objectives.

Investment Policy

The Investment policy is to seek an absolute return over the long term in order to provide for the outlay to meet the needs of the unitholders, whilst preserving the fund's capital base in real terms. In pursuance of the objective, the City Corporation has adopted an investment strategy using bonds, equities and cash. The fund had no direct investments in bonds as at 31 March 2021 (nil as at 31 March 2020).

The charity considers proactive engagement with the companies in which it invests to be the most effective means of understanding and influencing the social, environmental and governance policies of those companies. It expects investment managers to take steps to ensure that these factors are adequately addressed in the selection, retention and realisation of investments as far as such factors may affect investment performance.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The City of London Charities Pool does not undertake fundraising activity, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The City of London Charities Pool's aims and objectives and in planning future activities. The purpose of the charity is to provide small charities linked with the City of London the opportunity to obtain better returns than could generally be achieved if investments were made individually. Consequently, the Trustee considers that the charity operates to benefit the general public and satisfies the public benefit test.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details of the charity are stated on page 29.

ACHIEVEMENTS AND PERFORMANCE

The charity had an investment return of +30.72% over the year to 31 March 2021. Investment returns in 2020/21 showed a significant recovery from the downturn in financial markets in early 2020 which accompanied the emergence of the Covid-19 pandemic. As an informed investor, the charity is aware that periods of extreme volatility are an inherent feature of financial markets that do materialise from time to time. The charity's investment return of +30.72% represents an outperformance of +4.01% against the benchmark FTSE All Share Index, which returned +26.71% over the year.

Furthermore, the charity distributed a total of £905,952 to unitholders during the year (2019/20: £817,317) which is used by the participating charities to meet their objectives.

PLANS FOR FUTURE PERIODS

The effects of the global pandemic of Coronavirus were significant in 2020/21 and continued to impact upon the value of the investments held by the charity, but picked up considerably from the position at 31 March 2020. The impact will continue to be seen upon the level of distributable income available to meet the grant-making objectives of the charity.

The Trustee is monitoring the situation and will continue with the running of the Charities Pool and with distributing the fund's net income to the underlying charities.

FINANCIAL REVIEW

Overview of Financial Performance

Review of the Charity's Financial Position

The Charities Pool is invested in a strategy which predominantly holds UK equities. The market value of UK equities as at 31 March 2021 experienced a significant recovery despite the ongoing impact on businesses of the spread of Covid-19, and international measures to contain it. Many of the firms that the Charities Pool invests in operate internationally, so changes in their share prices will represent the effects not only on the UK economy but also in other markets that they operate in. As a result of the global equity recovery, the value of the Charities Pool investments returned to pre-pandemic levels, at £21,734,914 at the 31 March 2021 (31 March 2020: £17,340,375). Whilst this valuation reflects a snapshot at a specific point in time, since the end of the reporting period the value of the charity's investment assets continue to recover. Investment returns are expected to continue to be volatile whilst uncertainty remains over eventual impact of Covid-19 although the investments continue to be managed effectively during this elevated risk environment and as such the charity remains a going concern.

Principal Funding Sources of the Charity

The sole source of funding for the Charities Pool is the dividend and interest income from the underlying investments.

Income

In 2020/21 the charity's total income for the year was £1,377,127, an overall increase of £140,159 against the previous year (2019/20: £1,236,968). This was due to an increase in dividend payouts and new subscriptions in 2020/21 compared to 2019/20 (see below).

Income comprised £1,027,355 from investments (2019/20: £955,491), being £1,027,240 from managed investments (2019/20: £955,211) and £115 from interest receivable (2019/20: £280). New unit subscriptions to the fund totalled £349,772, with 3 unitholders contributing (2019/20: 4 unitholders, £281,477). Further information on new subscriptions is stated in Note 16.

Expenditure

Total expenditure for the year was £1,272,259 (2019/20: £1,393,168), with charitable activities expenditure in the year totalling £1,171,529 (2019/20: £1,254,819). Distributions for the year, paid out to unitholders in September and March of each year, totalled 36.46 pence/unit (2019/20: 33.46 pence/unit), amounting to £905,952 (2019/20: £817,137). During the year, one unit holder took a decision to redeem units at a total value of £265,577 (2019/20: two unitholders, £437,682). Further details on redemptions are reported in Note 16.

Expenditure on raising funds for the year was £100,730 (2019/20: £138,349). This consists of managed investment expenses payable on the fund in the year, which are deducted from the income distributed to unitholders.

Funds held

The charity's total funds held on behalf of unitholders increased by £4,415,211 or +25.27% to £21,889,446 as at 31 March 2021 (2019/20: £17,474,235). This increase is mainly the result of gains on investments of £4,310,343 (2019/20: losses of £4,005,448). During the year, there were subscriptions for new units of £349,772 in 2020/21 (2019/20: £281,477) and also redemption of units, £265,577 in 2020/21 (2019/20: £437,682). The cashflow statement on page 16 shows the total movement of cash during the year.

The underlying investments are managed by Artemis Investment Management LLP, with the performance of the fund measured against the fund manager benchmark, being the FTSE All Share Index. Financial markets recovered strongly over the twelve months to 31 March 2021 following the decline in asset prices in early 2020 during the emergence of the global pandemic. Under these conditions investments held in the Charities Pool performed very well, generating a gross return of +30.72% for 2020/21 (2019/20: -14.78%) which compares favourably against the FTSE All Share Index benchmark return of +26.71% (2019/20 -18.45%). As a result the longer term performance of the Charities Pool investments, as displayed in the table below, has significantly improved compared to the position reported twelve months ago:

Fund	31 March 2021		31 March 2020	
	3 year	5 year	3 year	5 year
Fund	+5.04%	+7.19%	-2.44%	+1.37%
FTSE All Share	+3.19%	+6.29%	-4.24%	+0.57%
Fund Outperformance	+1.85%	+0.90%	+1.80%	+0.80%

Details of the funds held, including their purpose, is set out within Note 13 to the financial statements.

Reserves

The objective of the City of London Charities Pool is to maximise revenue returns and capital growth on behalf of its unitholders, with all incoming resources distributed to the unitholders each year. The free reserves of the charity are held to cover working capital needs. The trustee believes that an amount of £15,000 should be held at present, which will be subject to annual review. Given the nature of the charity's reserves (being the accumulated fund, undistributed income and invested units at cost less profit distributed on redemptions), total reserves levels are above the minimum required to cover working capital needs; undistributed income funds are within the target range (see note 13).

Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks. These have been affected by the Covid 19 pandemic which is also mentioned under "Plans for Future Periods" (page 5).

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
Decline in income	<ul style="list-style-type: none">• Implementing strict controls.• The charity's funds are invested by a professional fund manager.• The Financial Investment Board regularly monitors the performance of this fund manager.
Where the Trustee has a conflict of interest	<ul style="list-style-type: none">• Those concerned having a specific understanding of trust law.• Adopting the protocol for disclosing any potential conflict.
Losing directly employed staff and/or the support staff	<ul style="list-style-type: none">• Documenting systems, plans and projects• Having any necessary training programmes

TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Jamie Ingham Clark FCA

Chairman of Finance Committee
The City of London Corporation
Guildhall, London

10 December 2021



Jeremy Paul Mayhew MA MBA

Deputy Chairman of Finance Committee
of the City of London Corporation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY OF LONDON CHARITIES POOL

Opinion on the 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 2021 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
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of the City of London Charities Pool ("the Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustee. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- adequate 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.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and the sector within which it operates. This included but was not limited to compliance with the Charities Act 2011, United Kingdom Accounting Standards, and tax legislation;
- We held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- We requested and reviewed any regulatory correspondence, in particular compliance with the Charity Commission, and details of legal expenses;
- We addressed the risk of management override, in particular by testing any journal entries containing material or round sum amounts, and any irregular journals;
- We have considered the control environment at both entity level and financial statement level to consider the ability to detect and prevent fraud; and
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations that have a direct effect on the financial statements.

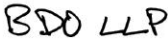
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustee, as a body, in accordance with the Charities Act 2011. 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 the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Heather Wheelhouse, Senior Statutory Auditor
BDO LLP, statutory auditor
London, UK

14 December 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds	
	Notes	2020/21 Total Funds £	2019/20 Total Funds £
Income from:			
Charitable Activities	2	349,772	281,477
Investments	3	1,027,355	955,491
Total income		1,377,127	1,236,968
Expenditure on:			
Raising funds	4	100,730	138,349
Charitable activities	5	1,171,529	1,254,819
Total expenditure		1,272,259	1,393,168
Net gains/(losses) on investments	8	4,310,343	(4,005,448)
Net movement in funds		4,415,211	(4,161,648)
Reconciliation of funds:			
Total funds brought forward	13	17,474,235	21,635,883
Total funds carried forward	13	21,889,446	17,474,235

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 17 to 28 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 Total £	2020 Total £
Fixed assets:			
Investments	8	21,439,065	16,646,051
Current assets			
Debtors	9	180,695	151,496
Investments	8	295,849	694,324
Cash at bank and in hand		-	8,382
Total current assets		476,544	854,202
Creditors: Amounts falling due within one year			
Creditors	10	(25,854)	(26,018)
Bank Overdraft		(309)	-
Total Creditors: Amounts falling due within one year		(26,163)	(26,018)
Net current assets		450,381	828,184
Total assets less current liabilities		21,889,446	17,474,235
The funds of the charity:			
Unitholders' funds	13	21,889,446	17,474,235

The notes on page 17 to 28 form part of these financial statements

Approved and signed on behalf of the Trustee.



Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

9 December 2021

CASHFLOW STATEMENT

AS AT 31 MARCH 2021

	Notes	2020/21 Total £	2019/20 Total £
Cash flows from operating activities:			
Net cash (used in) operating activities	14	(1,036,045)	(886,098)
Cash flows from investing activities:			
Interest and income from investments		1,027,355	955,491
Proceeds from sale of investments		4,847,271	4,660,793
Purchase of investments		(5,329,941)	(4,778,504)
Net cash provided by investing activities		544,684	837,780
Cash flows from financing activities:			
Net Receipt/(Payment) from sale/purchase of new units		84,195	(156,205)
Net cash provided by/(used in) financing activities		84,195	(156,205)
(Decrease) in cash in the year		(407,166)	(204,523)
Change in cash and cash equivalents in the reporting period		(407,166)	(204,523)
Cash and cash equivalents at the beginning of the reporting period		702,706	907,229
Cash and cash equivalents at the end of the reporting period		295,540	702,706

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

(a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

(b) Going concern

The City of London Charities Pool is a common investment fund operating in a similar way to a unit trust. The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity only spends the income that is generated from its investments, so maintaining its capital base. The latest forecast anticipates that adequate funds will be available in the 12 months from the signing of these financial statements to enable the charity to continue to fulfil its obligations. In making this assessment, the Trustee has considered the ongoing economic impact of the Covid-19 pandemic on the value of investment assets held, future income levels and the liquidity of the charity over the 12-month period following the signing of these financial statements.

The fund will continue to operate for as long as charities use its services which in turn will depend upon the investment performance of the Pool and the financial circumstances of each charity.

As a result of enquiries made with unitholders, the Trustee has a reasonable expectation that the Pool has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

(c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised

and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

(d) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of dividends, interest receivable on cash held by the fund manager and new units subscriptions.

(e) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities.

(f) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(g) Investments

Investments held within the Charities Pool are managed by Artemis Investment Management LLP. All of the securities held are listed on a stock exchange. Investments are valued annually at the bid-market price at the close of business on 31 March. Cash balances held within the investment portfolio as part of the portfolio strategy, but with a maturity date of less than one year are classified as current asset investments. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(h) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Unrestricted income funds – these funds can be used in accordance with the charitable objects on behalf of the unitholders by the Trustee and include income generated from those assets representing unrestricted funds.

(i) Indemnity Insurance

The City of London Corporation takes out indemnity insurance in respect of all its activities. The charity does not contribute to the cost of that insurance.

2. INCOME FROM NEW UNITS SUBSCRIPTIONS

	Total 2020/21	Total 2019/20
	£	£
New units subscriptions	349,772	281,477
	No.	No.
New units purchased	48,127	30,169

3. INCOME FROM INVESTMENTS

	Total 2020/21	Total 2019/20
	£	£
Income from Investments held	1,027,240	955,211
Interest receivable	115	280
	1,027,355	955,491

4. EXPENDITURE ON RAISING FUNDS

	Total 2020/21	Total 2019/20
	£	£
Investment management fees	100,730	138,349
	100,730	138,349

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Total 2020/21	Total 2019/20
	£	£
Distributions to unitholders	905,952	817,137
Redemptions - disposal of units	265,577	437,682
	1,171,529	1,254,819
Distributions - pence/unit	36.46	33.46
Redemptions - number of units	34,466	50,156

6. AUDITOR'S REMUNERATION

BDO are the auditors of the City of London's City's Cash Fund and all of the different charities of which it is Trustee. The City of London Corporation charges the audit fee to its City's Cash Fund. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the audit fee incurred from each of its charities. In 2020/21 no audit fee was recharged (2019/20: nil). No other services were provided to the charity by its auditors during the year (2019/20: nil).

7. TRUSTEE EXPENSES

The members of the Finance Committee of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2020/21 (2019/20: nil).

8. INVESTMENTS

Analysis of movement in investments:

	2021	2020
	£	£
Market value 1 April	16,646,051	20,533,788
Additions	5,329,942	4,778,504
Disposals	(4,847,271)	(4,660,793)
Gain/(Loss) for the year	4,310,343	(4,005,448)
Market value 31 March	21,439,065	16,646,051
Cash held by Fund Manager	295,849	694,324
Total investments at 31 March	21,734,914	17,340,375
Historic cost 31 March	19,656,526	19,851,269

Total investments as at 31 March are split as follows:

Market value	2021	2020
	£	£
Long-term	21,349,065	16,646,051
Short-term	295,849	694,324
	21,734,914	17,340,375

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

	Held in the UK £	Held outside the UK £	Total at 31 March 2021 £	Held in the UK £	Held outside the UK £	Total at 31 March 2020 £
Equities	17,750,501	2,525,864	20,276,365	13,377,440	2,017,798	15,395,238
Pooled Units	1,162,700	-	1,162,700	1,250,813	-	1,250,813
Cash held by Fund Manager	295,849	-	295,849	694,324	-	694,324
Total	19,209,050	2,525,864	21,734,914	15,322,577	2,017,798	17,340,375

9. DEBTORS

	2021 £	2020 £
Accrued income	176,239	146,714
Recoverable VAT	4,456	4,782
	180,695	151,496

Accrued income represents those dividends confirmed as receivable prior to 31 March each year but not received as at that date.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	25,854	26,018
	25,854	26,018

11. MOVEMENT IN UNIT-HOLDERS FUNDS DURING THE YEAR

	2021		2020	
Funds Subscribed	Units	£	Units	£
Balance at 1 April	2,461,383	11,854,113	2,481,370	11,813,770
Redemptions during the year	(34,466)	(138,024)	(50,156)	(241,134)
Subscriptions during the year	48,127	349,772	30,169	281,477
Invested units at cost	2,475,044	12,065,861	2,461,383	11,854,113

The unit-holders values show the purchase costs and the original amounts paid for the units sold at the transaction dates since inception of the City of London Charities Pool.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 March 2021	Unrestricted Income Funds	
	Total at 31 March 2021	Total at 31 March 2020
General Fund	£	£
Fixed assets – investments	21,439,065	16,646,051
Current Assets	476,544	854,202
Current Liabilities	(26,163)	(26,018)
Total	21,889,446	17,474,235

13. MOVEMENT IN FUNDS

At 31 March 2021	Total as at 1 April 2020	Income	Expenditure	Gains & (losses)	Transfers	Total as at 31 March 2021
	£	£	£	£	£	£
General Funds:						
Accumulated fund	8,017,903	-	-	4,310,343	-	12,328,246
Undistributed income	118	20,673	-	-	-	20,791
Invested units at cost	11,854,113	349,772	(138,025)	-	-	12,065,860
Profit distributed on redemptions	(2,397,899)	-	(127,552)	-	-	(2,525,451)
Total Unit holder Funds	17,474,235	370,445	(265,577)	4,310,343	-	21,889,446

At 31 March 2020	Total as at 1 April 2019	Income	Expenditure	Gains & (losses)	Transfers	Total as at 31 March 2020
	£	£	£	£	£	£
General Funds:						
Accumulated fund	12,023,351	-	-	(4,005,448)	-	8,017,903
Undistributed income	113	5	-	-	-	118
Invested units at cost	11,813,770	1,236,963	(1,196,620)	-	-	11,854,113
Profit distributed on redemptions	(2,201,351)	-	(196,548)	-	-	(2,397,899)
Total Unit holder Funds	21,635,883	1,236,968	(1,393,168)	(4,005,448)	-	17,474,235

Purpose of the accumulated fund

The accumulated fund represents unrealised gains/(losses) in respect of current subscriptions from unitholders.

Purpose of the undistributed income fund

This represents income receivable by the Pool which has not been distributed to subscribers/unit holders.

Total unit-holder funds

The market value per unit as at 31 March 2021 is £8.84 (2020: £7.10). This is calculated by dividing the total value of unit-holders funds as stated above by the total number of units invested (see Note 11).

14. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of net income/(expenditure) to net cash flow from operating activities.

	2020/21 £	2019/20 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	4,415,211	(4,161,648)
Adjustments for:		
Interest and income from Investments	(1,027,355)	(955,491)
(Gain)/Loss on investments	(4,310,343)	4,005,448
Net (new subscriptions)/redemptions	(84,195)	156,205
(Decrease)/ increase in Debtors	(29,199)	69,575
(Decrease) in Creditors	(164)	(187)
Net cash (used in) operating activities	(1,036,045)	(886,098)

15. RELATED PARTIES

The City of London Corporation is the sole Trustee of both the City of London Charities Pool and of a number of the charities which are unitholders within the Pool.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

16. STATEMENT OF FUNDS HELD BY UNIT-HOLDERS

The charity holds funds on behalf of charities which have met the terms of the provisions of the Pool's New Governing Scheme dated 23 January 2012. A schedule of the charities, their respective invested amounts, their market values and distributed funds for the financial year being reported is provided below.

Unit-holder funds

	£
Unit-holder funds (per summary of underlying charities)	21,885,552
Listed debtor – Recoverable VAT	4,456
Other adjustments	(562)
Total of unit-holder funds	21,889,446

CITY OF LONDON CHARITIES POOL DISTRIBUTION AND MARKET VALUE STATEMENT 2020-21

<u>Class or Subscriber</u>	<u>Commission No.</u>	<u>No. of Units</u> <u>at 31st March 2021</u>	<u>Net Amount</u> <u>Subscribed</u>	<u>Market Value of Units</u> <u>at 31st March 2020</u>	<u>Market Value of Units</u> <u>at 30th September 2020</u>	<u>Market Value of Units</u> <u>at 31st March 2021</u>	<u>Distributed</u> <u>2020/21</u> <u>1/2 year to</u> <u>Sep 20</u> <u>Mar 21</u>	<u>Distributed</u> <u>20.53 p</u>
Per Unit Values				£7,097	£7,705	£3,942	15.93 p	
Education								
City of London School								
Scholarships and Prizes	276554-1	0	£0.00	£581,827.82	£557,429.41	£0.00	£19,797.65	£0.00
Bursary Funds	276554	0	£0.00	£2,320,181.68	£2,520,332.56	£0.00	£32,115.25	£0.00
Bursary and Awards Funds	276554	416,570	£2,297,494.57	£0.00	£0.00	£3,686,188.81	£0.00	£35,598.84
City of London School for Girls								
Scholarships and Prizes	276251-5	9,780	£44,716.77	£59,408.93	£75,359.63	£36,479.55	£1,558.28	£2,097.98
Bursary Funds	276251	465,832	£2,394,438.13	£3,235,682.47	£3,512,465.82	£4,639,688.98	£72,628.26	£53,598.34
City of London Freeman's School								
Scholarships and Prizes	312120	23,243	£74,218.11	£158,796.00	£172,418.19	£265,526.88	£3,585.08	£4,772.15
Bursary Fund	284789	131,988	£315,908.92	£550,428.77	£623,340.35	£1,166,324.43	£19,082.75	£27,881.10
Sub-Total Education		1,037,625	£5,638,468.50	£7,515,885.87	£8,181,277.96	£9,175,188.89	£168,759.28	£213,048.41

CITY OF LONDON CHARITIES POOL DISTRIBUTION AND MARKET VALUE STATEMENT 2020-21

Class or Subscriber	Commission No.	No. of Units at 31st March 2021	Net Amount Subscribed	Market Value (Bid price) at 31st March 2020	Market Value (Bid price) at 30th September 2020	Market Value (Bid price) at 31st March 2021	Distributed 2020/21 1/2 year to Sep 20	Distributed 2020/21 1/2 year to Mar 21
(Per Unit Values)				£7.10	£7.71	£3.842	15.93 p	20.53 p
City's Cash General								
Highgate Wood & Queen's Park Kilburn	232066	18,728	£18,728.00	£132,913.14	£144,308.29	£165,602.15	£2,984.00	£3,845.15
Sir Robert Peel Statue	206953	0	£0.00	£1,135.52	£0.00	£0.00	£0.00	£0.00
Epping Forest								
Sports Ground Deposit (as part of Epping Forest)	232980	438	£438.00	£3,108.50	£3,375.00	£3,873.01	£69.79	£89.93
Miscellaneous Trusts								
City Educational Trust Fund	200040	423,940	£442,314.60	£3,008,777.92	£3,286,731.88	£3,748,764.79	£97,549.20	£87,043.27
Guildhall Library Centenary Fund	206950	1,233	£1,233.00	£8,750.64	£9,500.86	£10,902.79	£196.46	£253.15
Samuel Wilson's Loan Charity	206964	268,993	£1,135,925.37	£1,659,320.63	£2,072,721.04	£2,378,567.91	£42,869.57	£55,228.41
City of London Almshouses Trust	1005857	86,077	£417,370.50	£610,890.88	£663,264.88	£761,135.01	£13,714.94	£17,672.94
The CoL Combined Education Charity	312836	126,861	£650,382.18	£900,336.07	£977,525.31	£1,121,767.12	£20,213.19	£28,046.52
Sir Thomas Gresham Charities	221982	74	£385.58	£325.18	£370.21	£864.34	£11.79	£15.19
Hampstead Heath Trust	803382-1	65,398	£217,644.74	£463,854.65	£503,822.68	£577,938.30	£10,413.87	£13,419.21
City of London Archaeological Trust	268160	46,298	£278,338.71	£328,578.20	£356,748.46	£409,388.80	£7,376.82	£9,595.69
The CoL Combined Relief of Poverty Charity	1073660	46,832	£320,940.83	£332,368.02	£360,863.19	£414,111.49	£7,461.90	£9,615.33
Partnership for Young London	1062226	10,638	£74,997.97	£75,498.18	£81,970.93	£94,066.41	£1,694.99	£2,184.15
Vickers Duntree Memorial Benevolent Fund	238878	19,290	£133,996.00	£136,830.70	£148,561.72	£170,483.21	£3,071.95	£3,958.48
Emanuel Hospital	206952	322,659	£2,636,716.61	£2,289,919.96	£2,486,243.51	£2,853,106.98	£51,410.35	£66,246.86
Sub-Total		1,437,419	£6,429,382.07	£9,952,808.19	£11,078,007.96	£12,710,383.11	£228,028.86	£286,124.28
Total as at 31 March 2021		2,475,044	£12,065,880.57	£17,468,504.06	£19,237,285.92	£21,885,551.80	£397,787.14	£506,164.69

CITY OF LONDON CHARITIES POOL DISTRIBUTION AND MARKET VALUE STATEMENT 2020-21

<u>Class or Subclass</u>	<u>Commission No.</u>	<u>No. of Units</u>	<u>Net Amount Subscribed</u>	<u>Market Value of Units at 31st March 2020</u>	<u>Market Value of Units at 30th September 2020</u>	<u>Market Value of Units at 22nd December 2020</u>	<u>Market Value of Units at 31st March 2021</u>
Total as at 31 Mar 20		2,461,353	£11,884,113.43	£17,468,884.06			
<u>Class III Subclass I</u>							
Mid-Market Price							
Purchase Price				£7.10	£7.707	£7.471	£8.845
Selling Price				£7.10	£7.711	£7.471	£8.849
				£7.10	£7.705	£7.471	£8.842
01 Apr 20 Purchases:							
Samuel Wilson's Loan Charity	200804	35,185	£246,884.83	£246,884.83			
30-Sep-20 Market							
Sir Robert Peel Statue	200803	-100	-£100.00		-£1,232.88		
Bursary Funds	276854	100	£100.00		£1,232.88		
30 September 2020 Mergers							
On 30 September 2020, all of the assets under the Sir Robert Peel Statue (charity commission number 200803) were merged with the City of London School Bursary Funds (charity commission number 276854)							
The units of City of London School Bursary at 30 September 2020 are 327,083 (326,823+160) with a Net Amount Subscribed £1,309,688.06 (£1,309,739.86 + £180).							
01 Oct 20 Purchases:							
City of London Freeman's School	312120	888	£16,893.34		£16,893.34		
Scholarships and Prizes	284768	12,071	£33,082.16		£33,082.16		
Bursary Fund							
01 Oct 20 Sales							
City of London School	276854	-34,486	-£135,035.19		-£135,035.19		
Bursary Funds							
22-Dec-20 Market							
City of London School	276854-1	-124,233	-£1,075,302.45			-£1,082,847.16	
Scholarships and Prizes	276854	-882,617	-£1,221,882.13			-£2,478,768.61	
Bursary Funds	276854	418,870	£2,287,184.58			£3,831,385.77	
Bursary and Awards Funds							
22 December 2020 Mergers							
On 22 December 2020, all of the assets under the City of London School Bursary Funds (charity commission number 276854) and the City of London School Scholarship and Prize Funds (charity commission number 276854-1) were merged into the City of London School Bursary and Awards Fund (charity commission number 276854 [renamed])							
Balances as at 31 March 2021		2,475,844	£12,065,880.57				

17. SUBSEQUENT EVENTS

No events have taken place after the balance sheet date which have had a material impact on the charity (2019/20: nil).

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: The City of London Charities Pool

Registered charity number: 1021138

PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

SENIOR MANAGEMENT:

Chief Executive

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation

Treasurer

Caroline Al-Beyerty – The Chamberlain and Chief Financial Officer of the City of London Corporation (appointed 1 May 2021)

Dr Peter Kane - The Chamberlain of London (retired 30 April 2021)

Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

AUDITORS:

BDO LLP, 55 Baker Street, London, W1U 7EU

BANKERS:

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

INVESTMENT MANAGER:

Artemis Investment Management LLP, Cassini House, 57 St James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents:

PA-ChamberlainSecretariat@cityoflondon.gov.uk