

City Educational Trust Fund

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

Charity registration number 290840

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ORIGINS OF THE CHARITY

The charity was established by section 25 of the City of London Various Powers Act 1967 which declared that the previous Coal Market Fund (holding the balance of funds remaining in respect of the appropriation of the City of London Coal Market to other purposes when that market ceased to exist) and designated the “City Educational Trust Fund”, was under that Act designated the “City Educational Trust Fund”. Further, from the passing of the Act on 20 December 1967 the Act provided that the fund was to be held by the City Corporation acting by the Common Council, and the capital and interest applied for specified charitable purposes for the advancement of education.

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

This Trust was constituted by section 25 of the City of London Various Powers Act 1967 as a charitable trust.

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 Educational Trust Fund. 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 Education Board (a committee of the Court of Common Council), has principal responsibility for administering the charity for the Trustee under the City Corporation's usual corporate governance and delegation framework. The Education Board comprises Aldermen and Commoners appointed to the committee in accordance with the usual procedures for committee membership. The Key Committees which had responsibility for directly managing matters related to the charity during 2020/21 were as follows:

Education Board and Education Charity Sub (Education Board) Committee - responsible for reviewing the charitable activities and instigating any changes to the administrative arrangements which are considered necessary to maximise the effectiveness of the charity and ensure compliance with the City Corporation's duties as Trustee:

Audit & Risk Management Committee – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity;

Finance Committee – responsible for approval of the Annual Report and Financial Statements.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee 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.

OBJECTIVES AND ACTIVITIES

The purposes for which the City Educational Trust Fund was established under section 25 of the City of London Various Powers Act 1967 declared that the capital and interest of the fund shall be applied by the City of London Corporation as it thinks fit, for one or more of the following purposes as it may from time to time determine:

- (1) for the advancement of the objects of the City University constituted by Royal Charter granted on 23 May 1966, or any of such objects or for other educational purposes connected with, or related to the said university; and
- (2) without prejudice to the generality of the foregoing paragraph, for the advancement of education in science and technology, business management and commerce by the promotion of research, study, teaching and training in and of such subjects, or any of them, or without prejudice to the generality of the foregoing, for the advancement of the study and teaching biology and ecology, or for the advancement of research, study and teaching in and of the cultural arts.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy 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 (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 23.

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 Educational Trust Fund's aims and objectives and in planning future activities. The purposes of the charity are: to advance the objects of the City University or any such objects for educational purposes connected with or related to said university, and to advance education in science and technology, business management and commerce by

promoting research, study teaching and training in biology, ecology or the advancement of research and teaching of the cultural arts.

Consequently, the Trustee considers that the City Educational Trust Fund operates to benefit the general public and satisfies the public benefit test.

Policy on grant making

The charity has established its grant making policy to achieve its objects, as laid out above, for the public benefit. Applications are assessed via a robust process to ensure the proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. These guidelines are available from the Town Clerk at the City of London Corporation. The assessment, management and oversight of the charity's grant making is provided by the Central Grants Unit (CGU) within the Town Clerk's department, which is an internal department of The City of London Corporation. Grants are recognised in the Statement of Financial Activities when they have been approved by the Trustee and notified to the beneficiaries.

Grants are given to Educational Charities and Educational Establishments for work that advances the objects of the charity. Beneficiaries must be resident and studying in the City of London or London Boroughs. There are two application deadlines each year when funds are available.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details of the charity are stated on page 23.

ACHIEVEMENTS AND PERFORMANCE

A round of applications to the grant programme was opened in April 2020, with only a few applications received. As the charity could not forecast the level of income due to be available in 2020/21 as a result of the impact of the Covid-19 pandemic, it was decided not to approve further grant commitments until certainty over available funds was in place.

The Education Board therefore rejected the applications received and moved to close the programme for the rest of the financial year. The CGU has since worked with the applicants to identify other funding bodies to approach to support the work that they applied for.

PLANS FOR FUTURE PERIODS

The Corporate Charity Review (CC Review), led by officers of the City Corporation, has included this charity within its remit to allow the Trustee to consider improved policy and administration arrangements in the best interests of The City Educational Trust. The existing grant making policy and available resources have been reviewed in order to assess a future grant making strategy. A more strategic grant making approach was approved in principle in July 2021, that will allow the charity to maximise its impact and provide a comprehensive package of support to its beneficiary group.

Ongoing monitoring and evaluation of projects by the CGU will continue to ensure that projects are on track and delivering to their outlined aims.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 16.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2020/21 the charity's total income for the year was £156,062, an overall increase of £13,469 against the previous year (2019/20: £142,593). All income received was from investments.

Expenditure

Total expenditure for the year was £2,023 (2019/20: £87,138). This comprised support costs from the City of London Corporation for administering the charity. No grants were awarded in the year due to the low level of unrestricted funds brought forward from the previous year and uncertainty around investment performance during the Covid-19 pandemic.

Investments performance

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.

	2020/21		2019/20	
	3 year	5 year	3 year	5 year
City of London Charities Pool	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%

Funds held

The charity's total funds held increased by £893,968 or 29% to £3,974,199 as at 31 March 2021 (2019/20: £3,080,231). Within the total funds held, £3,805,766 (2019/20: £3,065,975) represent expendable endowment funds which are held to generate income for the primary objectives of the charity. Any income arising from the endowment is accounted for within unrestricted funds. Unrestricted income funds amounted to £168,433 (2019/20: £14,256). These funds are held for use in future years in accordance with the objectives of the trust.

Details of all funds held, including their purposes, is set out within note 10 to the financial statements.

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

use the investment income in accordance with the objectives of the charity. The Trustee has the discretion to distribute the expendable endowment as grants as deemed appropriate. The free reserves of the charity are held to cover working capital needs.

The Trustee has revised its reserves policy in 2020/21 to meet future working capital needs. The Trustee believes that a minimum amount of £5,000 should be held at present, which will be subject to annual review. As at 31 March 2021 the charity held £168,433 as free reserves, amounts which are available to support charitable activities in future years.

While the charity is holding in excess of its free reserves target, this reflects the low levels of reserves brought forward at the start of 2020/21 which meant the charity was unable to award any grants during this financial year without a deficit resulting on its unrestricted funds.

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. The charity is in the process of updating its risk assessment process and developing a revised risk register. Currently risks are considered and reviewed by the Trustee as part of charity updates at Committee meetings.

TRUSTEE 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.

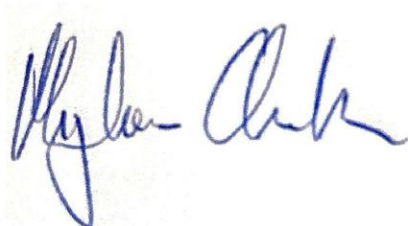
The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the 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.

A handwritten signature in blue ink, appearing to read 'Jamie Ingham Clark'.

Jamie Ingham Clark FCA

**Chairman of Finance Committee of
The City of London Corporation**

A handwritten signature in blue ink, appearing to read 'Jeremy Paul Mayhew'.

Jeremy Paul Mayhew MA MBA

**Deputy Chairman of Finance
Committee of The City of London
Corporation**

Guildhall, London

10 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CITY EDUCATIONAL TRUST FUND

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 Educational Trust Fund ("the Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet 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: Trustee's Annual Report. 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.

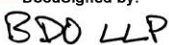
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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

	Notes	Unrestricted Funds £	Endowment Funds £	2020/21 Total Funds £	2019/20 Total Funds £
Income from:					
Investments	2	156,062	-	156,062	142,593
Total income		156,062	-	156,062	142,593
Expenditure on:					
Charitable activities	3	2,023	-	2,023	87,138
Total expenditure		2,023	-	2,023	87,138
Net gains/(losses) on investments	7	-	739,791	739,791	(688,069)
Net gains/(losses) on short term deposit		138	-	138	-
Net income/(expenditure) and net movement in funds		154,177	739,791	893,968	(632,614)
Reconciliation of funds:					
Total funds brought forward	10	14,256	3,065,975	3,080,231	3,712,845
Total funds carried forward	10	168,433	3,805,766	3,974,199	3,080,231

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 16 to 22 form part of these financial statements.

BALANCE SHEET**AS AT 31 MARCH 2021**

	Notes	2021 Total £	2020 Total £
Fixed assets			
Investments	7	3,748,557	3,008,766
Total fixed assets		3,748,557	3,008,766
Current assets			
Cash at bank and in hand		237,216	129,127
Total current assets		237,216	129,127
Creditors: Amounts falling due within one year	8	(11,574)	(57,662)
Net current assets		225,642	71,465
Total net assets		3,974,199	3,080,231
The funds of the charity:			
Endowment funds	10	3,805,766	3,065,975
Unrestricted income funds	10	168,433	14,256
Total funds		3,974,199	3,080,231

The notes on pages 16 to 22 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

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 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, unless a decision is taken by the Trustee to not issue grants due to uncertainty in future cash and funds available. In 2020/21 no grants were awarded because of limited funds available and uncertainty around the impact of Coronavirus, as detailed in the Achievements and Performance section on page 5. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of signing these financial statements to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the likely financial position in light of planned expenditure and the ongoing economic impact of Covid-19, and has not identified any indication that the charity will not be able to meet liabilities, including planned liabilities, as they fall due. The policy of only approving grant commitments from available unrestricted income, provides the flexibility to ensure the long-term viability of the charity despite previous reductions in investment values that occurred with Covid-19. 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) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

(e) 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 investment income and interest on cash balances.

(f) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal category of '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 liability can only be derecognised where payment of a grant award is no longer probable.

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.

(g) 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.

(h) Investments

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This 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.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(i) Funds structure

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

Expendable endowment fund – this fund consists of endowment funds that are expendable as a result of conditions imposed by the original donors and trusts. Funds can also be invested to generate income which can be spent on the charitable purpose of the charity, which is allocated to the unrestricted income fund.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the expendable endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

(j) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

2. INCOME FROM INVESTMENTS

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Investment income	154,592	141,878
Interest	1,470	715
Total	156,062	142,593

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	Total 2020/21 £	Direct costs £	Support costs £	Total 2019/20 £
Grants awarded	-	2,023	2,023	77,825	9,313	87,138

4. ANALYSIS OF GRANTS AWARDED

Project description	Total 2020/21 £	Total 2019/20 £
London Music Fund	-	24,000
Drum Works CIC	-	20,250
Epping Forecast Field Centre	-	23,150
Dr Johnson's House Trust Ltd	-	10,425
Total	-	77,825

No grants were made in the year (2019/20: 4 organisations, with 4 projects supported). The average amount of a grant in 2019/20 equalled £19,456. All grantees receiving funding must work for the benefits of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Reconciliation of grants payable:	2020/21 £	2019/20 £
Commitments at 1 April	57,662	155,350
Commitments made in the year	-	77,825
Grants paid in the year	(46,088)	(175,513)
Commitments at 31 March (note 8)	11,574	57,662

5. AUDITOR'S REMUNERATION

The City Corporation's external auditor audits this charity as one of the numerous charities of which the City Corporation 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 2020/2021 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).

6. TRUSTEE EXPENSES

The Members 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).

7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	2021 £	2020 £
Market value 1 April	3,008,766	3,696,835
Gain/(Loss) for the year	739,791	(688,069)
Market value 31 March	3,748,557	3,008,766
Cost 31 March	442,314	442,314
Units held in Charities Pool	423,949	423,949

The type of listed investments held as 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	3,061,377	435,628	3,497,005	2,322,777	349,018	2,671,795
Pooled Units	200,528	-	200,528	216,632	-	216,632
Cash held by Fund Manager	51,024	-	51,024	120,339	-	120,339
Total	3,312,929	435,628	3,748,557	2,659,748	349,018	3,008,766

8. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2021 £	2020 £
Grants awarded (note 4)	11,574	57,662

9. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2021

	Unrestricted: general funds £	Endowment funds £	Total at 31 March 2021 £	Total at 31 March 2020 £
Fixed assets - Investments	-	3,748,557	3,748,557	3,008,766
Current assets	180,007	57,209	237,216	129,127
Current liabilities	(11,574)	-	(11,574)	(57,662)
Total	168,433	3,805,766	3,974,199	3,080,231

At 31 March 2020

	Unrestricted: general funds £	Endowment funds £	Total at 31 March 2020 £	Total at 31 March 2019 £
Fixed assets - Investments	-	3,008,766	3,008,766	3,696,835
Current assets	71,918	57,209	129,127	171,360
Current liabilities	(57,662)	-	(57,662)	(155,350)
Total	14,256	3,065,975	3,080,231	3,712,845

10. MOVEMENT IN FUNDS

At 31 March 2020	Total as at 1 April 2020	Income	Expenditure	Gains & (losses)	Total as at 31 March 2021
	£	£	£	£	£
Endowment funds:					
Expendable endowment	3,065,975	-	-	739,791	3,805,766
Unrestricted funds:					
General funds	14,256	156,062	(2,023)	138	168,433
Total funds	3,080,231	156,062	(2,023)	739,929	3,974,199

At 31 March 2020	Total as at 1 April 2019	Income	Expenditure	Gains & (losses)	Total as at 31 March 2020
	£	£	£	£	£
Endowment funds:					
Expendable endowment	3,754,044	-	-	(688,069)	3,065,975
Unrestricted funds:					
General funds	(41,199)	142,593	(87,138)	-	14,256
Total funds	3,712,845	142,593	(87,138)	(688,069)	3,080,231

Purpose of the endowment fund

The expendable endowment fund is invested in the capital fund to generate income for the activities of the charity and represents the original assets of the charity, reported at current market value. Any income from this fund is accounted for within unrestricted income funds.

Purpose of unrestricted funds

The general fund comprises the accumulation of income surpluses as a result of unspent investment income after grants are charged to this fund. Any undistributed annual income is held for use in future years in accordance with the objectives of the trust.

11. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2.

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.

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2020/21 £	2019/20 £	Detail of transaction
Charities Pool Charity registration no. 1021138 City of London Corporation	The charity's Investments are held in units of London Charities Pool	154,592 (-)	141,877 (-)	Distribution from the Charities Pool
City of London Corporation	The City of London Corporation is the Trustee for the charity	2,023 (-)	9,313 (-)	Central Grants Unit management and administration fees

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: City Educational Trust Fund

Registered charity number: 290840

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)

Peter Kane – The Chamberlain of the City of London Corporation and Chief Financial Officer (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 ADVISORS:

Artemis Investment Management Limited, 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