

Registered Charity No. 312695

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021**

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
GENERAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

Patron	The Lord Mayor		
Trustees	CFSL Trustee Limited (company registration number 11294870) is the sole corporate trustee of the charity.		
	The directors of the corporate trustee during the year were:		
	Mr C Arding ^{2, 4, 8}		
	Revd D Armstrong		
	Ms J Boadi ^{6, 7, 5}	Appointed 9 July 2020	
	Mr K Bottomley ^{1, 8}		
	Mr S Brown ^{1, 7}	See Note 1	
	Mr J E Cruse ^{1, 6, 4}	Resigned 24 March 2022	
	Mr S Dodds	Appointed 2 December 2021	
	Mr B Gooden ^{4, 7}		
	The Rev The Lord Griffiths of Pembrey and Burry Port	Chairman (see note 1)	
	Mrs S Griffiths		
	Mr C Gurney ^{1, 3, 7}	Resigned 28 January 2022	
	Mr R Howard ^{1, 6, 2}		
	Mr G Kegler ^{1, 6, 7}		
	Ms D Khambata ^{2, 3}		
	Mr R Maas ^{1, 6,}		
	Mr S Malik	Resigned 7 May 2020	
	Ms J Plesniak ^{3, 6, 7}		
	Mr F Sumner ^{2, 8}		
	Mr M Yershon ^{1, 2, 6, 7}		
	<i>Note 1. Lord Griffiths stepped down as Chair on 8 July 2021 and Stephen Brown became acting Chair at that time. Stephen Brown was elected Chair on 14 October 2021. Leslie Griffith's term of office ended 10 December 2021</i>		
Clerk to the Trustees	Mr J Clark		
Registered Charity Number	312695		
Address	Cowper Street London EC2A 4SH		
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL		
Bankers	Barclays Bank PLC Level 27 1 Churchill Place London E14 5HP		
Solicitors	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE		
Investment Managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ	J M Finn & Co 4 Coleman Street London EC2R 5TA	Veritas Investment Partners (UK) Limited Riverside House 2a Southwark Bridge Road, London SE1 9HA

¹ Member of Finance Committee

² Member of Compliance, Audit & Risk Assessment Committee

³ Governor of the Boys' School

⁴ Governor of the Girls' School

⁵ Trustee Dulwich Estate

⁶ Member of Investment Committee

⁷ Communications Committee

⁸ Project Committee

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 17 therein and comply with the charity's Scheme, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STATUS AND ADMINISTRATION

The Foundation is a Charity founded by a Trust Deed in February 1891 which has been amended over subsequent years and now operates under the 2010 Scheme of the Charity Commissioners as amended by the Scheme dated 28 June 2018.

STRUCTURE GOVERNANCE AND MANAGEMENT

Managing Body

The Foundation has a sole corporate trustee, CFSL Trustee Limited. The Foundation is managed by the directors of the corporate trustee (referred to as 'the Trustees' throughout this report). The Board of Trustees comprises up to 18 individuals - 8 appointed by the following bodies: The University of London (2), The London Chamber of Commerce (1), The City of London Corporation (1), The Wardmote of the Ward of Bishopsgate (1), The Bank of England (1), The Dulwich Estate (1), The Vestry of the Parish of St Botolph's Bishopsgate (1) and 10 appointed by the Board as co-opted Trustees. As of 31 March 2021 there was one nominative vacancy to be appointed by The London Chamber of Commerce.

The Trustees have the responsibility for managing the finances, the properties and the investments of the Foundation.

The Trustees consider that they comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis.

The Trustees receive no remuneration in respect of their duties.

On the 26 February 2018, the Trustees passed a resolution pursuant to section 280 of the Charities Act 2011 to amend its current governing document (the scheme dated 21 May 2010, as amended) to allow for the appointment of a sole corporate trustee. This resolution was filed with the Charity Commission and the Register of Charities. Approval from the Charity Commission appointing CFSL Trustee Limited as the sole corporate trustee of the Foundation was received on 1 July 2018. The sole corporate trustee, called CFSL Trustee Limited (which is constituted as a non-charitable company limited by guarantee) was incorporated on 5 April 2018 (company reference number 11294870).

The 2010 Scheme confers rights on certain external bodies to nominate trustees to the Foundation. On the appointment of the sole corporate trustee the rights for these bodies to nominate directors of the corporate trustee have been included in the Articles of CFSL Trustee Limited. The Foundation has written to and obtained the consent of each of the bodies entitled to nominate trustees under the Scheme to replace their rights under the Scheme with the rights under the Articles of Association.

Recruitment and Training of Trustees

Trustees are either appointed by nominating bodies or invited to become co-opted Trustees. Those who are co-opted are selected for their specific knowledge to keep a balance of skills within the Board. On occasions they are former students of one of the Central Foundation Schools who have achieved highly in their business lives. All Trustees have opportunities throughout the year to attend training courses provided by advisers or recommended by Trustees.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31 MARCH 2021

Organisational Management

The Board of Trustees meets six times per annum. The work of implementing its policies is carried out by the members of the Finance Committee, Investment Committee, Compliance, Audit & Risk Assessment Committee and the Communications Committee. The Finance Committee and the Investment Committee meet two weeks before each meeting of the full Board of Trustees. The Compliance, Audit & Risk Assessment Committee and the Communications Committee meet once per term, with additional meetings if this is found to be necessary. The Finance Committee works under the Chairmanship of Mr R Maas, Investment Committee under the Chairmanship of Mr G Kegler, Communications Committee under the Chairmanship of Mr M Yershon and the Compliance, Audit & Risk Assessment Committee meets under the Chairmanship of Mr F Sumner.

Structure and Relationships with Schools

The Foundation supports two schools in London – the Central Foundation Boys' School in Islington and the Central Foundation Girls' School in Tower Hamlets. Both schools are voluntary aided. Each school has its own Governing Body to which some Trustees of the Foundation are appointed as Governors.

The Foundation employ a Clerk/Bursar and an Administration Officer. It also pay the costs of part-time Clerks at the Boys' and Girls' Schools.

Risk Management

The Trustees have examined the principal areas of the Foundation's operations and considered the major risks which could arise in each of these areas. In the opinion of the Trustees, the Foundation has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations.

The Foundation's principal assets comprise land and buildings and listed investments, the value of which is dependent on movements in the UK and overseas stock markets. The investments are managed by reputable professional investment managers who adhere to a policy agreed by the trustees and the Investment Committee. Regular meetings are held with the investment managers and their performance and that of the portfolio are monitored by the Foundation.

The Trustees retain a Risk Assessment Register to which they add items which they consider significant, as and when they may arise. Annually, all Trustees are given a copy of the register and asked to consider whether there are additional items and whether the methods outlined for addressing risks are still suitable.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The object of the Foundation is to advance the education (including the social and physical education) of persons under the age of 25 who are, or have been, students at one of the two Central Foundation Schools through:

- a) the provision of items, services and facilities for the Schools; and
- b) furthering the education of persons under the age of 25 who are, or have been, students attending the Schools by the award of prizes (or other suitable reward); and
- c) giving grants, bursaries or other payments to persons under the age of 25 who are, or have been, students at one of the two Central Foundation Schools who are in financial need:
 - i) to enable them to continue their education in any manner approved by the Trustees (including attendance at any school, college, university or other place of learning); and
 - ii) in providing financial or other assistance to them to assist their entry into a profession, trade or calling or to enable them to travel abroad to pursue their education.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives for the year

The objectives for the year were:

1. To continue to provide professional and financial assistance to the Central Foundation Boys' School (CFBS) with regard to staff professional achievement, curriculum development, sports, school journeys, extended schools, the social mobility project and support to a specialised employment agency (Central Futures) to find employment for students leaving the School and not proceeding to university.
2. To continue to provide professional and financial assistance to the Central Foundation Girls' School (CFGs) including the raising of the achievement agenda through targeted intervention and support, broadening students' horizons and cultural capital by enabling them to participate in a range of experiences outside of the curriculum.
3. The Trustees and the Boys' School Governors are working together on a project to enable the refurbishment and partial redevelopment of the Boys' School site. The planning application was submitted and approval was granted in April 2018. The Trustees reserved £27.2m in respect of the Foundation's prospective contribution towards the costs of the project, which commenced in the second half of 2018. Approval under a section 105 Order to release up to £21.65m of permanent endowment entitled "Investment Property Fund: City Road" was received on 1 July 2018. The London Borough of Islington and the Education & Skills Funding Agency (ESFA) contributed a total of £8.2 million to the project. The total estimated cost of both Phase 1 and Phase 2a is now £41 million, and after deducting the third party contributions and the Bandy bequest the estimated overall cost to the Foundation is approximately £33 million. The contract, for the sum of £13,228,719 for Phase 2a with Gilbert Ash was signed on the 17 May 2021 for completion on 10 March 2023.

4. Strategies to achieve the year's objectives

To have the necessary resources to fund the professional services and assistance to the Boys' and Girls' Schools to achieve the objectives stated in the paragraph above.

Grant Making Policy

The Trustees have paid due regard to the Charity Commission's guidance on public benefit. The Foundation provides public benefit by giving grants to the two voluntary aided schools in inner London and providing grants and assistance to individual students from time to time.

Grants totalling £1,176,000 were made in the year to the two schools. This amount includes a £290,000 grant to CFGS to fund the capital element of a PFI contract.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31 MARCH 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

FINANCIAL REVIEW

Review of Activities, Financial Review and Future Developments

The results for the year to 31 March 2021 were in line with management accounts and formal budgets. The Foundation's excess of income over expenditure was £600,000 after deducting the depreciation charge of £801,000 but before taking into account the gains on investments. The Foundation made realised and unrealised gains totalling £5,266,000 (2020: losses of £3,688,000) on its investments in the year to 31 March 2021.

The expenditure in direct support to the Schools is summarised below:

Support to schools	£'000	£'000	£'000
	Boys'	Girls'	Total
	School	School	
Grants to schools	401	775	1,176
Boys' School premises costs	9	-	9
Awards & prizes	6	-	6
Support costs	9	3	12
Other costs	19	6	25
Total	<u>444</u>	<u>784</u>	<u>1,228</u>

Further details are shown in Note 6 page 20.

The Boys' School had previously challenged the Trustee interpretation of the trusts which apply to the proceeds of the sale in 2007 of the property bordering City Road, arguing that the proceeds should be held by the Foundation exclusively for the Boys' School. The Trustee on 17 March 2021 concluded a Settlement Agreement with the Boys' and Girls' Schools. The financial implications of this solution are discussed on page 7.

Future Developments

To complete Phase 2a of the Boys' School refurbishment which is projected to end in March 2023. To address the annual increase in the Girls' School PFI commitment in order that the increase does not impinge on the delivery of education at the Girls' School. To improve the presence of the Foundation through its website which went live on the 10 May 2021.

Fixed Assets

Details of the Foundation's tangible fixed assets are disclosed in note 10 to the accounts.

Investment Policy

On 20 March 2021 the Investment Committee reappointed J M Finn & Co and Rathbone Investment and appointed Veritas Investment Partners (UK) Limited as Investment Managers to the Foundation. These appointments resulted in the reallocation of the Foundation's investments (other than the designated Bendy Fund investments) being held as follows:

Rathbone Investment	£12,443,249	Boys School Development Fund
Rathbone Investment	£5,000,000	Main portfolio 2
J M Finn & Co	£9,000,000	Girls School Fund
J M Finn & Co	£9,000,000	Main portfolio
Veritas Investment Partners (UK)	£6,000,000	Foundation Growth Fund

As at 31 March 2021 the Girls School Fund was valued at £8,984,017 producing an estimated income of £199,201, equivalent to a 2.2% yield; the Boys School Redevelopment Fund was £12,443,249 held in a deposit account; and the Veritas Growth Portfolio was valued at £6,000,000 of which £4,406,478 was uninvested cash. The portfolio was estimated to produce an income of £19,794 equivalent to a yield of 1.1%. The income generated from these three portfolios is reinvested.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2021

Investment Policy (cont)

As at the 31 March 2021 the Foundation's portfolio with Rathbone was valued at £1,928,951 producing an income of £58,876 equivalent to a yield of 3.1%; and that with J M Finn & Co was valued at £14,358,201 of which £5,407,055 was in cash, producing an estimated income of £211,528 equivalent to a 1.49% yield. The two Bendy portfolios at J M Finn & Co were valued at £1,080,257 producing an income of £21,195 equivalent to a yield of 1.95%.

The Investment Committee met with the Investment Fund Managers during the course of the year to discuss and monitor performance, current positioning and outlook.

Reserves Policy and Financial Position

At 31 March 2021 the Foundation had total funds of £138,179,000 which were made up as follows:

	£'000
Endowment funds	125,980
Restricted funds	1,131
Unrestricted funds	11,068
Total Funds	138,179

These funds are represented by the assets of the Foundation as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total £'000
The Total Assets and Reserves of the Foundation				
Net book value of Fixed Assets (Freehold Property and Office Equipment)	1	-	91,887	91,888
<i>Current assets and investment as per the Balance sheet on page 13</i>				
Investments at market value	2,543	709	41,542	44,794
Cash	8,631	422	(6,678)	2,375
Net other assets and liabilities	(107)	-	(771)	(878)
Total current assets & investments	11,067	1,131	34,093	46,291
Total Assets	11,068	1,131	125,980	138,179

Obviously the fixed assets of the Foundation are not available for distribution. And the use of the current assets and investments is restricted in various ways, as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total £'000
Availability of current assets and investments				
Total current assets and investments (as above)	11,067	1,131	34,093	46,291
Less funds already earmarked in some way:				
1. Designated to cover the present value of the Foundation's commitment to the Girls' School PFI project.	(1,840)	-	-	(1,840)
2. Set aside to cover bursaries and prizes	-	-	(1,000)	(1,000)
3. To be used to facilitate the Boys' School development project	-	-	(18,821)	(18,821)
4. Set aside for acquisition of development site by Girls' School	-	-	(9,000)	(9,000)
5. Restricted to the uses specified in their restricted funds	-	(1,131)	-	(1,131)
Subtotal of amounts already earmarked in some way	(1,840)	(1,131)	(28,821)	(31,792)
Current assets and investments potentially available for other purposes	9,227	-	5,272	14,499

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2021

Reserves Policy and Financial Position (cont)

As shown above, the funds available to the Foundation which have not been already in some way earmarked are £14,499,000 (the 'available reserves'). It should be noted that (as shown above) only £9,227,000 of this is unrestricted (the 'free reserves' of the Foundation). The rest (£5,272,000) is part of the permanent endowment of the Foundation (see above).

With respect to each of the categories identified above:

1. *Designated funds*

The trustees have designated a reserve of £1,840,000 million representing the present value of the Foundation's commitment to the Girls' School's PFI contract.

2. £1,000,000 of the endowment fund has been set aside to provide grants and bursaries to assist former pupils of the schools entering further education.
3. As noted on page 5, the Trustee has been discussing, with both beneficiary schools, the resolution of a challenge from the Boys' School about the status of the proceeds from the sale (in 2007) of property at the Boys' School site. The Trustee and the Boys' School Governing Body have agreed and executed the terms for the full and final settlement of the dispute. This settlement includes the funds for Phase 2a of the refurbishment of the Boys' School Funding Framework Agreement. Under this Settlement Agreement the Boys' School release their claim and the Foundation undertakes to provide funding for Phase 2a. The Settlement Agreement and Boys' School Funding Framework Agreement were approved by the un-conflicted Directors of the Foundation on 4 February 2021. The Boys' School Funding Framework Agreement requires the Foundation to place in a Development Funding account the amount of £12,443,249 and to contribute to works at the Boys' School an amount equivalent to the Commercial Development proceeds (the land at the eastern end of the site) or £10,000,000 whichever is the smaller. These actions were completed on the Unconditional Date of 17 March 2021. Due to the lack of a purchaser for the Deveopment Site the Trustee agreed to underwrite the completion of Phase 2a on the agreement that the all the proceeds from the sale of the Development Site were paid to the Foundation. This agreement has necessitated a supplementary agreement being agreed amending the Funding Framework Agreement.
4. Under the Settlement Agreement the Directors reached a settlement with the Girls' School. The Foundation agreed to make funding available to the Girls' School to fund the purchase and development of land adjacent to the Girls' School site. To that end the Foundation will place assets to the value of approximately £9,000,000 in a separate Designated Endowment for this purpose, with the Girls' School assuming the risk of reduction in the value of the investment and potential upside of investment gains. This Designated Endowment will continue to form part of the capital of the Foundation's general permanent endowment fund. The Designated Endowment is set aside for 25 years from 17 March 2021 at which time any funds remaining in this account on termination or expiration of this agreement shall fall back into the Foundation's general endowment fund.

5. *Restricted funds*

Restricted funds of £1,131,000 comprise monies restricted to particular purposes, for the advance education in engineering, science, and technology, particularly the award of bursaries, prizes, grants and scholarships. Further details are given in note 14 to the accounts.

In formulating their reserves policy, the trustees have taken account of the available funds (£14,499,000) and the proportion considered to be free reserves (£9,227,000). It is the intention of the Trustee to seek to grow the investments of the Foundation both in capital and income. As regard the income it will be the Trustee's policy, after taking account of the reserves position and after paying or providing for the Foundation's costs, expenses and liabilities, to regard it as available for distribution to the beneficiaries.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors of the corporate trustee ('the Trustees') are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the Charity Commission Scheme. They are 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.

Approved by the Board of Trustees on 10 May 2022
and signed on its behalf by _____



Robert Maas
10 May 2022

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE
YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of The Central Foundation Schools of London (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including the principal 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).

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 income and expenditure 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.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE (CONT)
YEAR ENDED 31 MARCH 2021

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 given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient 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 Trustees

As explained more fully in the Trustees' responsibilities statement, the directors of the corporate trustee ('the Trustees') are 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 Trustees determine 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 Trustees are 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 Trustees either intend 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

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.

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:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to relevant financial reporting standards and the Charities Act 2011; and
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and representatives from those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE (CONT)
YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements (cont)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings; and
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
18 May 2022

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

18/5/22

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2021 £'000	<i>Total Funds 2020 £'000</i>
INCOME						
Donations and legacies						
Dulwich Estate	2	924	-	-	924	505
Gifts in kind		-	-	1,281	1,281	4,925
Investment income						
Rental income	3	5	-	-	5	6
Bank and other interest		3	-	-	3	30
Dividend income		678	17	-	695	1,080
Total income		<u>1,610</u>	<u>17</u>	<u>1,281</u>	<u>2,908</u>	<u>6,546</u>
EXPENDITURE						
Cost of raising funds						
Investment management fees	4	27	3	161	191	219
Charitable activities						
Support to schools	5, 6	1,311	-	806	2,117	2,090
Total expenditure		<u>1,338</u>	<u>3</u>	<u>967</u>	<u>2,308</u>	<u>2,309</u>
Net income before gains (losses) on investments		272	14	314	600	4,237
Net gains (losses) on investments	11	62	120	5,084	5,266	(3,688)
Net income (expenditure) and net movement in funds		334	134	5,398	5,866	549
Balances brought forward at 1 April 2020 as restated		<u>10,734</u>	<u>997</u>	<u>120,582</u>	<u>132,313</u>	<u>131,764</u>
Balances carried forward At 31 March 2021		<u>11,068</u>	<u>1,131</u>	<u>125,980</u>	<u>138,179</u>	<u>132,313</u>

**The notes on pages 15 to 26 form part of these accounts.
Detailed comparative information is provided in note 15.**

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
BALANCE SHEET
31 MARCH 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
FIXED ASSETS						
Tangible assets	10	1	-	91,887	91,888	88,004
Investments	11	2,543	709	41,542	44,794	39,610
Total Fixed Assets		<u>2,544</u>	<u>709</u>	<u>133,429</u>	<u>136,682</u>	<u>127,614</u>
CURRENT ASSETS						
Debtors	12	39	-	-	39	745
Cash at bank and in hand		<u>8,631</u>	<u>422</u>	<u>(6,678)</u>	<u>2,375</u>	<u>4,379</u>
Total Current Assets		8,670	422	(6,678)	2,414	5,124
CURRENT LIABILITIES						
Creditors	13	<u>(146)</u>	<u>-</u>	<u>(771)</u>	<u>(917)</u>	<u>(425)</u>
NET CURRENT ASSETS		<u>8,524</u>	<u>422</u>	<u>(7,449)</u>	<u>1,497</u>	<u>4,699</u>
TOTAL NET ASSETS		<u>11,068</u>	<u>1,131</u>	<u>125,980</u>	<u>138,179</u>	<u>132,313</u>
<i>THE FUNDS OF THE CHARITY:</i>						
PERMANENT ENDOWMENT FUNDS	14	-	-	125,980	125,980	120,582
RESTRICTED FUNDS	14	-	1,131	-	1,131	997
UNRESTRICTED FUNDS	14					
General operational fund		9,228	-	-	9,228	8,604
Designated fund		<u>1,840</u>	<u>-</u>	<u>-</u>	<u>1,840</u>	<u>2,130</u>
TOTAL FUNDS		<u>11,068</u>	<u>1,131</u>	<u>125,980</u>	<u>138,179</u>	<u>132,313</u>

Approved by the Board of Trustees on
and signed on its behalf by

10 May 2022

Trustee

Robert Maas
10 May 2022

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
STATEMENT OF CASH FLOWS
31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(858)	(1,152)
Cash flows from investing activities:			
Dividends and interest from investments		704	1,127
Proceeds from the disposal of investments		32,416	(9,066)
Purchase of investments		(15,267)	11,751
Purchase of fixed assets		(1,932)	(4,840)
Net cash generated from (used in) investing activities		<u>15,921</u>	<u>(1,028)</u>
Change in cash and cash equivalents in the year		15,063	(2,180)
Cash and cash equivalents at 1 April 2020	B	11,502	13,682
Cash and cash equivalents at 31 March 2021	B	<u>26,565</u>	<u>11,502</u>

Notes to the statement of cash flows for the year to 31 March 2021:

A Reconciliation of net movement in funds to net cash generated from (used in) operating activities

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	5,866	549
Adjustments for:		
Depreciation charge	801	801
(Gains) losses on investments	(5,266)	3,688
Gifts in kind	(1,281)	(4,925)
Dividends and interest from investments	(698)	(1,110)
Increase in debtors	(1)	-
Decrease in creditors	(279)	(155)
Net cash used in operating activities	<u>(858)</u>	<u>(1,152)</u>

B Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	4,379	13,392
Cash with investment advisors	7,123	290
Total cash and cash equivalents at 1 April 2020	<u>11,502</u>	<u>13,682</u>
Cash at bank and in hand	2,375	4,379
Cash held by investment advisors	24,190	7,123
Total cash and cash equivalents at 31 March 2021	<u>26,565</u>	<u>11,502</u>

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and other income including the surplus on the disposal of tangible fixed assets.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Gifts in kind are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. The classification between activities is as follows:

- ◆ Cost of raising funds comprises investment management fees incurred in generating investment income and capital appreciation.
- ◆ Expenditure on charitable activities includes all costs associated with the provision of support to the schools and where appropriate individual students and former students and include both the direct costs and governance costs relating to these activities.

Grants payable are included in the financial statements once a constructive or legal obligation exists.

f) Tangible Fixed Assets and Depreciation

Functional freehold properties were revalued on the basis of Fair Value as at 31 March 2016 and the revaluation has been adopted as at the transition date of 1 April 2014. As permitted by the transitional provisions of FRS 102 this valuation has been deemed to be cost.

Subsequent additions costing more than £1,000 are included at cost. The Foundation is responsible for contributing towards the upkeep of the original buildings at the Boys' School and Girls' School in a fit and useful condition, and such costs are written off as incurred.

Freehold buildings are depreciated at a rate of 2% per annum on a straight line basis. No depreciation is charged in respect of freehold land.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

f) Tangible Fixed Assets and Depreciation (continued)

Office equipment costing more than £1,000 is included at cost and depreciated at a rate of 25% per annum on a straight line basis.

g) Investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

h) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

i) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

j) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

k) Fund structure

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

l) Pensions

The Foundation makes contributions to employees' personal pension plans. Contributions are charged to the SOFA when payable.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	<i>Total funds 2020</i>
	£'000	£'000	£'000	£'000	<i>£'000</i>
Dulwich estate	924	-	-	924	505
Contributions to Boys' School building project from other funders	-	-	1,281	1,281	4,925
2021 Total funds:	924	-	1,281	2,205	5,430
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>2019</i>
<i>Dulwich estate</i>	<i>505</i>	<i>-</i>	<i>-</i>	<i>505</i>	
<i>Contributions to Boys' School building project from other funders</i>	<i>-</i>	<i>-</i>	<i>4,925</i>	<i>4,925</i>	
<i>2020 Total funds:</i>	<i>505</i>	<i>-</i>	<i>4,925</i>	<i>5,430</i>	

London Borough of Islington and the Education and Skills Funding Agency have agreed to contribute a total of £8,202,693 (including VAT) towards Phase 1 of the redevelopment of the Central Foundation Boys' School. Those funders' share of the costs incurred during the year total £1,281,000 (2020: £4,925,000) and have been recognised as income within donations and legacies and as an increase in the value of the Foundation's fixed assets (note 10).

3. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Endowment funds	Total funds 2021	<i>Total funds 2020</i>
	£'000	£'000	£'000	£'000	<i>£'000</i>
Rental income	5	-	-	5	6
Bank and other interest	3	-	-	3	30
Dividend income	678	17	-	695	1,080
2021 Total funds	686	17	-	703	1,116
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment funds</i>	<i>Total funds</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>2020</i>
<i>Rental income</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>6</i>	
<i>Bank and other interest</i>	<i>30</i>	<i>-</i>	<i>-</i>	<i>30</i>	
<i>Dividend income</i>	<i>1,058</i>	<i>22</i>	<i>-</i>	<i>1,080</i>	
<i>2020 Total funds</i>	<i>1,094</i>	<i>22</i>	<i>-</i>	<i>1,116</i>	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

4. COST OF RAISING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
2021 Total funds:					
Investment management fees	27	3	161	191	219
<i>2020 Total funds: Investment management fees</i>	26	3	190	219	

5. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Support to schools (note 6)	1,222	-	6	1,228	1,130
Depreciation charge (note 10)	1	-	800	801	801
Governance costs (note 7)	88	-	-	88	159
2021 Total funds	1,311	-	806	2,117	2,090
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2020 £'000</i>	
<i>Support to schools (note 6)</i>	1,127	3	-	1,130	
<i>Depreciation charge (note 10)</i>	1	-	800	801	
<i>Governance costs (note 7)</i>	159	-	-	159	
<i>2020 Total funds (restated)</i>	1,287	3	800	2,090	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

6. SUPPORT TO SCHOOLS	2021			2020		
	Boys' School £'000	Girls' School £'000	Total £'000	Boys' School £'000	Girls' School £'000	Total £'000
Grants to Schools						
Staff costs	18	1	19	15	7	22
Direct grants	383	484	867	311	456	767
Girls' School PFI payment	-	290	290	-	290	290
Academisation		-		4	-	4
Total	401	775	1,176	330	753	1,083
School Premises Costs						
Other costs	9	-	9	6	-	6
Awards and Prizes	6	-	6	3	-	3
Support costs						
Staff costs	9	3	12	9	2	11
Other costs						
Printing, stationery, postage and telephone	5	2	7	6	2	8
Computer support	7	2	9	5	2	7
Legal and professional	-	-	-	10	-	10
Insurance	3	1	4	1	1	2
Website	4	1	5	-	-	-
Total	19	6	25	22	5	27
2021 Total funds	444	784	1,228	370	760	1,130

7. GOVERNANCE COSTS	2021 £'000	2020 £'000
Auditor's remuneration for audit	10	10
Trustee expenses	1	-
Trustee indemnity insurance	3	3
Professional fees	32	112
Governance Review	7	-
Staff costs	35	34
2020 Total funds	88	159

8. TOTAL STAFF COSTS – included in notes 6 & 7	2021 £'000	2020 £'000
Salaries	67	66
Social security costs	4	4
Pension costs	3	3
	74	73

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

8. TOTAL STAFF COSTS (CONTINUED)

The average number of employees in the year was 2 (2019 - 2), neither of whose emoluments exceeded £60,000. The Foundation also pay the costs of part-time clerks to the Boys' and Girls' Schools.

9. REMUNERATION OF TRUSTEES AND KEY MANAGEMENT PERSONNEL

The Trustees consider that they comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis.

No Trustees received any remuneration during either the current or preceding financial year. No Trustee received travel expenses during the current or preceding financial year.

10. TANGIBLE FIXED ASSETS

	Office Equipment £'000	Freehold Property £'000	Assets under construction £'000	2021 Total £'000
Cost or valuation				
As at 1 April 2020	5	73,497	19,079	92,581
Additions funded by the Foundation	-	-	3,404	3,404
Contributions from other funders (note 2)	-	-	1,281	1,281
Cost or valuation				
As at 31 March 2020	5	73,497	23,764	97,266
Depreciation				
As at 1 April 2020	3	4,574	-	4,577
Charge for year	1	800	-	801
As at 31 March 2021	4	5,374	-	5,378
Net book value				
As at 31 March 2021	1	68,123	23,764	91,888
As at 31 March 2020	2	68,923	19,079	88,004

Functional freehold properties were revalued on the basis of Fair Value as at 31 March 2016 and the revaluation has been adopted as at the transition date of 1 April 2014. As permitted by the transitional provisions of FRS 102 this valuation has been treated as deemed cost.

11. INVESTMENTS AT MARKET VALUE

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total £'000	2020 Total £'000
Listed Investments	17,372	2,538	694	20,604	32,487
Dealing Account	24,170	5	15	24,190	7,123
	<u>41,542</u>	<u>2,543</u>	<u>709</u>	<u>44,794</u>	<u>39,610</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

11. INVESTMENTS AT MARKET VALUE (CONTINUED)

SUMMARY OF SHARES AND OTHER SECURITIES

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total £'000
As at 1 April 2020	28,262	3,636	589	32,487
Additions	14,506	607	154	15,267
Disposals	(30,480)	(1,767)	(169)	(32,416)
Realised and unrealised losses	5,084	62	120	5,266
As at 31 March 2021	<u>17,372</u>	<u>2,538</u>	<u>694</u>	<u>20,604</u>

COST OF INVESTMENTS

31 March 2021	<u>20,085</u>	<u>3,176</u>	<u>487</u>	<u>23,748</u>
<i>31 March 2020</i>	<u>16,288</u>	<u>1,250</u>	<u>452</u>	<u>17,990</u>

12. DEBTORS

	2021 £'000	2020 £'000
Prepayments	4	704
Accrued income	<u>35</u>	<u>41</u>
	<u>39</u>	<u>745</u>

13. CREDITORS

	2021 £'000	2020 £'000
Trade creditors	64	97
Other creditors	1	1
Accruals	<u>852</u>	<u>327</u>
	<u>917</u>	<u>425</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

14. ANALYSIS OF CHARITABLE FUNDS

	At 1 April 2020 (restated) £'000	Income £'000	Resources expended £'000	Gains on investments £'000	Transfers between funds £'000	At 31 March 2021 £'000
Permanent endowments						
Dulwich Estate	8,453	-	(31)	735	-	9,157
Newman Trust	2	-	-	-	-	2
Mrs Irene Buckman	21	-	-	(1)	-	20
Boys' School Fund	-	-	-	-	12,443	12,443
Girls' School Fund	-	-	-	(16)	9,000	8,984
Veritas Fund	-	-	-	-	6,000	6,000
Investment property Fund						
City Road	25,463	-	(176)	3,606	(21,443)	7,450
College Terrace	7,252	-	(22)	760	(6,000)	1,990
Burseries & Prizes	1,000	-	(6)	-	-	994
Land and buildings	78,391	1,281	(732)	-	-	78,940
Total	120,582	1,281	(967)	5,084	-	125,980
Restricted funds						
Prizes and grants	160	2	(1)	-	-	161
Bendy	831	14	(2)	120	-	963
Newman Trust	3	-	-	-	-	3
Mrs Irene Buckman	3	1	-	-	-	4
Total	997	17	(3)	120	-	1,131
General operational Fund						
	8,604	1,610	(1,048)	62	-	9,228
Designated fund						
	2,130	-	(290)	-	-	1,840
Total	10,734	1,610	(1,338)	62	-	11,068
Total	132,313	2,908	(2,308)	5,266	-	138,179

ENDOWMENT FUNDS

The Dulwich Estate permanent endowment was created by capital distributions from the Dulwich Estate totalling £5,705,600 received in 1996, 2000, 2012, 2013 and 2014. The income can be used for the general purpose of the Foundation.

Newman Trust was established in 1998 from a transfer of funds from The Bishopsgate Foundation. The fund is for the provision of prizes and to help and support needy pupils.

Mrs Irene Buckman, a former pupil of the Girls' School and a former governor and trustee, donated £16,667 in the year ended 31 March 2005, the income from which is to be used for girls who go on to higher education.

The Investment property fund represents the net proceeds from the sale of land bordering City Road, and land at College Terrace in Tower Hamlets. The Charity Commissioners have directed that the net proceeds be included as part of the permanent endowment funds. The income can be used for the general purposes of the Foundation.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

14. ANALYSIS OF CHARITABLE FUNDS (cont.)

ENDOWMENT FUNDS (cont)

The trustees intend to use part of the City Road endowment fund in the carrying out of the Boys' School refurbishment and partial redevelopment project. The Charity Commission has granted permission for up to £21.65 million of the fund to be used for Phase 1 of the project. Those funds spent to date have been transferred from the City Road endowment fund to the land and buildings endowment fund.

A Bursaries and Prize fund was created from the Endowment Funds as at 1 April 2018. The interest from these funds to be distributed to the two beneficiaries.

RESTRICTED FUNDS

The separate prizes and grants funds were merged with the Foundation under S74 of the Charities Act 1993 in 1996. The income and any accumulation of income is to be applied in promoting the education of the pupils attending the Boys' and Girls' Schools.

The Bendy fund was created in November 1999 by a legacy from a former pupil of the Central Foundation Boys' School, Mr Wilfred Bendy and Mrs Bendy. A Trustees Resolution under Section 275 of the Charities Act 2011 dated 18 June 2012 amended the purposes of the legacy to read as follows:

To advance education in engineering, science, technology and mathematics by:

- 1) the provision of grants, bursaries, scholarships, prizes, financial assistance and provisions of equipment to students at the Central Foundation Boys' School (the "School") and to persons who have been students at the School (in relation to the latter, in order to assist them to continue their education at University or other place of learning or to undertake training with a preference for those who go on to study or undertake training in engineering or related subjects);
- 2) the provision of facilities, equipment and services at the School;
- 3) the establishment and provision for the benefit of students at the school of after school, or other out of hours, clubs, courses and extra-curricular activities;
- 4) the provision and facilitation for the benefit of students at the School of careers advice, work experience, mentoring and related activities with the aim of assisting and encouraging students to undertake further education or training in engineering, science, technology and mathematics.

The Newman Trust and Mrs Irene Buckman funds represent income from the endowments described above.

UNRESTRICTED FUNDS

The General operational fund represents the free funds of the Foundation which are not designated for particular purposes.

The designated fund represents reserves set aside by the trustees to cover the present value of the Foundation's commitment to the Girls' School PFI contract.

The Revaluation Reserve arose from the revaluation of Functional Properties, carried out in 1998 and 2016.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

15. COMPARATIVE INFORMATION

Analysis of income and expenditure in the year ended 31 March 2020 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>INCOME</i>				
<i>Donations and legacies</i>				
<i>Dulwich Estate</i>	505	-	-	505
<i>Gifts in kind</i>	-	-	4,925	4,925
<i>Investment income</i>				
<i>Rental income</i>	6	-	-	6
<i>Bank and other interest</i>	30	-	-	30
<i>Dividend income</i>	1,058	22	-	1,080
<i>Total income</i>	<u>1,599</u>	<u>22</u>	<u>4,925</u>	<u>6,546</u>
<i>EXPENDITURE</i>				
<i>Cost of raising funds</i>				
<i>Investment management fees</i>	26	3	190	219
<i>Charitable activities</i>				
<i>Support to schools</i>	1,287	3	800	2,090
<i>Total expenditure</i>	<u>1,313</u>	<u>6</u>	<u>990</u>	<u>2,309</u>
<i>Net income before losses on investments</i>	286	16	3,935	4,237
<i>Net gains on investments</i>	(257)	(49)	(3,382)	(3,688)
<i>Net income and net movement in funds</i>	<u>29</u>	<u>(33)</u>	<u>553</u>	<u>549</u>
<i>Reconciliation of funds</i>				
<i>Balances brought forward at 1 April 2019</i>	<u>10,705</u>	<u>1,030</u>	<u>120,029</u>	<u>131,764</u>
<i>Balances carried forward at 31 March 2020</i>	<u>10,734</u>	<u>997</u>	<u>120,582</u>	<u>132,313</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2021

15. COMPARATIVE INFORMATION (CONTINUED)

Analysis of balance sheet at 31 March 2020 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2020</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
FIXED ASSETS				
<i>Tangible assets</i>	2	-	88,002	88,004
<i>Investments</i>	3,668	636	35,306	39,610
<i>Total Fixed Assets</i>	<u>3,670</u>	<u>636</u>	<u>123,308</u>	<u>127,614</u>
CURRENT ASSETS				
<i>Debtors</i>	44	-	701	745
<i>Cash at bank and in hand</i>	<u>7,445</u>	<u>361</u>	<u>(3,427)</u>	<u>4,379</u>
<i>Total Current Assets</i>	7,489	361	(2,726)	5,124
CURRENT LIABILITIES				
<i>Creditors</i>	<u>(425)</u>	<u>-</u>	<u>-</u>	<u>(425)</u>
NET CURRENT ASSETS	<u>7,064</u>	<u>361</u>	<u>(2,726)</u>	<u>4,699</u>
TOTAL NET ASSETS	<u>10,734</u>	<u>997</u>	<u>120,582</u>	<u>132,313</u>
THE FUNDS OF THE CHARITY:				
PERMANENT ENDOWMENT FUNDS	-	-	120,582	120,582
RESTRICTED FUNDS	-	997	-	997
UNRESTRICTED FUNDS				
<i>General operational fund</i>	8,604	-	-	8,604
<i>Designated fund</i>	2,130	-	-	2,130
TOTAL FUNDS	<u>10,734</u>	<u>997</u>	<u>120,582</u>	<u>132,313</u>