

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022



Central Foundation Schools of London

Registered Charity No. 312695

Company No. 11294870

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Patron	The Lord Mayor of the City of London		
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:		
	Clive Arding		
	Revd David Armstrong		
	Dami Ayeko	Appointed 13 October 2022	
	Jasmine Boadi	Resigned 31 July 2022	
	Keith Bottomley	Resigned 13 October 2022	
	Stephen Brown	Acting Chair from 8 July 2021	
		Appointed Chair 14 October 2021	
	Avril Calder	Appointed 5 May 2022	
	John Cruse	Resigned 24 March 2022	
	Simon Dodds	Appointed 2 December 2021	
	Hilary Evenett	Appointed 13 October 2022	
	Barrington Gooden		
	The Rev The Lord Griffiths of Pembrey and Burry Port	Chair to 8 July 2021	
		Retired 10 December 2021	
	Susanna Griffiths		
	Madush Gupta	Appointed 13 October 2022	
	Christopher Gurney	Resigned 28 January 2022	
	Robert Howard		
	George Kegler		
	Dilnaz Khambata		
	Robert Maas		
	Joanna Plesniak		
	Amandeep Rehlon	Appointed 13 October 2022	
	Francis Sumner		
	Mike Yershon		
Clerk to the Trustees	John Clark		
Registered charity number	312695		
Company number	11294870		
Address	Cowper Street, London EC2A 4SH		
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL	Investment Managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
Bankers	Barclays Bank PLC Level 27 1 Churchill Place London E14 5HP		Veritas Investment Partners (UK) Ltd Riverside House 2a Southwark Bridge Road London SE1 9HA
Solicitors	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE		J M Finn & Co 4 Coleman Street London EC2R 5TA

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The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 21 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 Standards applicable in the United Kingdom and Republic of Ireland (FRS102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Foundation is a Charity (number 312695) 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.

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. The Charity Commission confirmed approval to appoint CFSL Trustee Limited as the sole corporate trustee of the Foundation 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 number 11294870).

Trustees

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 nominating bodies¹ and 10 appointed by the Board as co-opted Trustees. As of 31 March 2022 there was one nominative vacancy and one co-opted vacancy.

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. In response to the Governance Review and recognising the significant disruption caused by the pandemic, towards the end of the year the Board agreed to establish a People and Nominations Committee. The remit of this new committee includes overseeing a review and refresh of trustee succession planning, recruitment, induction and development practices.

Organisation Management

The Board of Trustees administers the charity with responsibility for managing the finances, properties and investments of the Foundation on a day-to-day basis. The Board meets six times a year and is currently supported by four formal Board sub committees covering Finance, Investment, Compliance Audit & Risk, and a newly formed People & Nominations Committee: each meet regularly through the year.

¹ University of London (2), London Chamber of Commerce (1), City of London Corporation (1), Wardmote of the Ward of Bishopsgate (1), Bank of England (1), Dulwich Estate (1), Vestry of the Parish of St Botolph's Bishopsgate (1).

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A further committee formed in collaboration with Boys' and Girls' Schools is responsible for Fundraising (directly for the two schools) and External Communications. The Trustees receive no remuneration in respect of their duties.

The Foundation employs a Clerk/Bursar and an Administration Officer.

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 pays the costs of part-time clerks at the Boys' and Girls' Schools who support each Board of Governors.

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, 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 maintain a Risk 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 the Board consider whether there are additional items and whether the methods outlined for addressing risks are still appropriate.

Principal Risks and Uncertainties

The Trustees have examined the principal areas of the Foundation's operations and considered the major risks which could arise. In the opinion of the Trustees, the Foundation has established resources and review systems which, under normal conditions, allow the risks identified by them to be mitigated to an acceptable level in its day to day operations. Following the Governance Review, the Trustees plan to review and update their risk management strategy. The principal risks being considered within the review include:

- Financial market volatility and the impact on the Foundation's endowments and investments.
- Clarity of the Foundation's future purpose and structure.
- The Foundation's supporting infrastructure and resources (people, financial and process).
- Future changes in Education and the role of the Foundation.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

For over 150 years, the Central Foundation Schools of London has supported two schools. The Boys' School is based in Cowper Street, Islington and the Girls' School in Tower Hamlets. Today, the Foundation continues to benefit students at these two schools while also supporting the schools to strengthen their facilities and educational excellence for current and future students.

Our Charitable Objects

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 – The Central Foundation Boys' School in the London Borough of Islington and the Central Foundation Girls' School in Bow, London.

The Foundation does this through:

- Providing items, services and facilities for the Schools.
- Furthering the education of students or former students of the Schools by the award of prizes.
- Giving grants, bursaries, or other payments to current or former students at one of the two Central Foundation Schools who are in financial need to enable them to continue their education or 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.

Public Benefit

In shaping our objectives for the year and planning our activities, the Trustees confirm they have considered the Charity Commission's guidance on public benefit, including the guidance "Public Benefit: Running a Charity (PB2)". The charity provides funding for facilities and services to two schools in inner London serving their local communities and makes available grants and assistance to individual students.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Despite the challenges presented by the pandemic over the last two financial years, the Foundation is pleased with the progress in achieving its key objectives for the financial year to 31 March 2022, and to set a strong basis for the future work and development of the organisation.

- a. **Capital support for the Central Foundation Boys' School** – the Foundation's most significant contribution in 2021-22, in line with its endowment and objectives, has been the project to enable the refurbishment and partial redevelopment of the Boys' School site.

Building work on **phase 2** of the new Boys' School facilities started in May 2021. These **further** facilities will include a partly sunken sports hall with improved changing facilities, and the repurposing of spaces for art classrooms and music practice rooms. The work also includes essential repairs and installation of new fire escape provision.

As the financial year ended, discussions were under way for a final phase of works and funding for refurbishing the chapel space. The expectation is that this final stage of work will build on the

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school's thriving music department by adding classrooms and music practices rooms along with a hall for music and drama rehearsals and performances. This will also allow the Boys' School to continue to make facilities available for the community including the *Music in Secondary Schools Trust Orchestra* which rehearses in the school.

- b. **Bursaries and Assistance to Central Foundation Girls' School** – the Foundation has continued to provide bursaries, awards and financial assistance to the Central Foundation Girls' School directly and through the annual distribution of funds from the Dulwich Estate. In 2021-22 this included piloting the expansion of the School's computer science teaching provision to encourage further take up of this subject, in-school counselling and additional tutoring and support for key stage 3, 4 and 5 students. Funding also supported a variety of extra-curricular, cultural and sporting activities and part-funding of a student aspirations manager to continue to raise student aspirations.

In addition to the longstanding continued PFI contributions the Foundation makes to the Girls' School for their building development additional support of £1.3m was agreed in 2021. At the end of last financial year, the Foundation and the Girls' School also established a ring-fenced fund for capital development works by the Girl's School. During the year a number of options were explored and as the new financial year starts the Foundation is actively supporting the Girls' School to explore in depth the viability of one opportunity to expand its Sixth Form provision.

- c. **Assistance to Central Foundation Boys' School** – The Foundation continued to provide professional and financial assistance to the Central Foundation Boys' School (CFBS) directly and through the annual distribution of funds from the Dulwich Estate. The funding for 2021-22 was used for a range of activities including sustaining and delivery music tuition, extending and supporting sports, as well as re-establishing the programme of support students to undertake school trips through subsidies and continuing to offer extended school hours at no cost to parents.
- d. **Developing the Foundation** – In March 2021 the Board received the final report from the independent Governance Review it commissioned as the pandemic started. Through the year the Trustees have started to explore the work and purpose of the Foundation in the 21st century, review its Board composition and supporting governance structures and consider the implications for the organisation's resources.
- e. **Other developments** – The Foundation launched its new website on May 2021 as a tool to support the charity in exploring new funding sources for both schools and to raise the profile of its work.

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Future Plans

The Foundation will continue to support the education of current and recent past pupils at the Central Foundation Boys' and Girls' schools. Significant focus will be on the successful completion of the extensive Boys' School building project which is due to be substantially completed by Summer 2023. We are excited at the prospect of some of the new facilities beginning to come available for student use towards the end of 2022-3 financial year and see the true impact of this project start to be realised.

In parallel, the Foundation will be working closely with the Girls' School in its aspiration to develop its Sixth Form facilities and offering.

With the substantial capital investments with both schools in recent years, the Foundation will be undertaking a review of its endowments and investments and reviewing with both schools its longer term support and future bursary and awards provisions.

The Trustees have appointed an external specialist to work with the Foundation's Board and staff team take forward the recommendations of the 2021 Governance Review findings and report. The Board's priorities are:

- Review of the Foundation's operations, policies and processes to identify, recommend and implement an updated operating model.
- Refresh the Foundation's vision and mission and how it achieves this in the 21st century, leading to the development of a fresh 3-year strategic plan.
- A review of the Board's composition and governance practice in response to the emerging strategic goals of the Foundation
- Reviewing and refreshing the Board's approach to trustee induction, development and succession.

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FINANCIAL REVIEW

Expenditure

Grants totalling £1,195,000 were made in the year to the two schools. 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 *	305	890	1,195
Premises costs	62	-	62
Awards & prizes	21	18	39
Support costs	9	3	12
Other costs	26	7	33
Total	423	918	1,341

*This amount includes a grant to CFGS to fund the capital element of a PFI contract.

The drawdown of funds for the Boys' School building project continued through 2021-2. With a total expected cost of £41m, of which £33m is being funded by the Foundation. In year £6,143k of the agreed funding was drawn down.

Fixed Assets

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

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Investment Policy

The Foundation refreshed its investment policy at the start of the financial year.

The overall objectives of the investment portfolio(s) are to create sufficient income and capital growth to enable the Foundation to carry out its purposes and commitments year by year. The Trustees delegate the management of the Foundation's investments to one or more investment managers while retaining overall responsibility for managing the portfolio. Trustees review the investment strategy annually with the Investment Committee and Fund Managers in order that the Foundation can achieve its short and medium term goals and that decisions made by the Fund Managers are within agreed levels of risk and ethical considerations. Specifically, the Trustees preclude investment in tobacco companies, and asks its investment managers to demonstrate that they monitor Environmental, Social and Governance (ESG) factors and actively engage with issuers to promote improved management of ESG risks. In addition, the Foundation's policy sets out any specific portfolio requirements, particularly relating to the Boys' and Girls' School ringfenced funding.

Investment Overview

At the end of the last financial year the Investment Committee reappointed J M Finn & Co and Rathbone Investment and appointed Veritas Investment Partners (UK) Limited as Investment Managers to the Foundation. Each investment portfolio has clearly designated goals and, where appropriate, separate goals for designated funds.

The Investment Committee met with the Investment Fund Managers during the course of the year to discuss and monitor performance, current positioning and outlook based on our key investment goals.

For the year, the following key investment objectives were met, and have been reconfirmed for the financial year starting 1 April 2022:

1. Rathbones main portfolio to be invested to generate returns guarding against erosion by inflation over the medium to long term. The specific objective is to generate a total return over a 5-year rolling period. By agreement, the portfolio is managed with a medium risk profile and generates a monthly income for the day to day running costs and regular Foundation funding commitments.

In addition, Rathbones manage the Foundation's account for the Boys' School Redevelopment project to meet scheduled funding commitments with minimal risk to the capital value. As a result, this portfolio is managed with a low risk profile.

2. JM Finn manage the Foundation's portfolio to generate monthly income based on a medium risk profile and to support some capital growth. They manage a number of ringfenced funds in line with the income and reinvestment requirements defined by the Foundation.
3. Veritas support the Foundation's longer term investment growth strategy. Their portfolio objectives focus on generating returns on a 5 year rolling view with emphasis on capital growth, drawing a small income quarterly, with an agreed risk profile of medium-high.

Details of the value and income from the Foundation's investments and endowments are disclosed in notes 11 and 14 to the accounts.

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Reserves Policy

As stated above, in the Investments policy the trustees aim to create sufficient income and capital growth to enable the Foundation to carry out its purposes and commitments year by year. The trustees consider it prudent to have a blend of funds invested for growth and medium term investments which create a continuous income for the Foundation. In addition, the Foundation manages its level of liquid assets to meet its ongoing funding needs for at least 6 months.

As an exception, the Trustees agreed with the Boys' School that the majority of the funds for the current building project will be retained in cash or near cash assets to provide assurance of funds flow as costs for the building project fall due, even over the loss of potential income that could have been created with short term investments.

Following the 2021 Governance Review, the trustees have agreed an investment of up to £50,000 from the Foundation's reserves for the transition and transformation of the charity's operation and governance and make it fit for purpose for the 21st century.

Each year the application of the Foundation's Reserves policy takes into account the agreed commitments, and how these are drawdown against endowment, restricted and unrestricted funds. With the significant committed investment for the Boys' and Girls' Schools' infrastructure currently, the Foundation is intentionally applying part of its endowments towards the ongoing capital works (following Charity Commission approval) as well as some of its restricted and unrestricted funds. Going forwards, and with the additional injection of funds from the sale of the land adjoining the Boys School, it is the intention of the Trustees to review its funding goals and reserves policy in light of the review of its purpose and strategy and appropriately adjust its investment portfolio and reserves policy.

See note 14 (analysis of charitable funds).

Reserves Overview

The unrestricted funds available to the Foundation not designated for existing activity at the end of 2021-22 is £9,921,000 (2021, £9,227,000).

Fundraising

The Charity does not conduct any direct fundraising activity. In 2021/22 a joint Committee between the Foundation, the Boys' School and the Girls' School was established to support the two Schools to initiate a fundraising plan particularly to support the development of their schools' infrastructure and grow relationships with their alumni. While the Girls' School has made a positive start on building its alumni network, the Boys' School has focused on starting a capital project to raise funds towards the final phase of the Boys' School redevelopment. Both of these will continue in 2022-23.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the charity trustees to prepare accounts for each financial year which 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and 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 accounts;
- 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 to enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts & Reports) Regulations 2008, and the provisions of the constitution. The trustees 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. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the Board of Trustees on _____

and signed on its behalf by:

Trustee

THE CENTRAL FOUNDATION SCHOOLS OF LONDON INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Central Foundation Schools of London (the 'charity') for the year ended 31 March 2022 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 2022 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.

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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.

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:

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- 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.

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.

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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
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£'000	£'000	£'000	£'000	£'000
INCOME						
Donations and legacies						
Dulwich Estate	2	757	-	-	757	924
Legacy		-	665	-	665	-
Gifts in kind		-	-	-	-	1,281
Investment income						
Rental income	3	5	-	-	5	5
Bank and other interest		-	-	-	-	3
Dividend income		854	13	-	867	695
Total income		<u>1,616</u>	<u>678</u>	<u>-</u>	<u>2,294</u>	<u>2,908</u>
EXPENDITURE						
Cost of raising funds						
Investment management fees	4	26	15	172	213	191
Charitable activities						
Support to schools	5, 6	1,360	6	833	2,199	2,117
Total expenditure		<u>1,386</u>	<u>21</u>	<u>1,005</u>	<u>2,412</u>	<u>2,308</u>
Net income (expenditure) before gains on investments		230	657	(1,005)	(118)	600
Revaluation of investment property	10	550	-	-	550	-
Net gains on investments	11	37	20	1,037	1,094	5,266
Net income and net movement in funds		<u>817</u>	<u>677</u>	<u>32</u>	<u>1,526</u>	<u>5,866</u>
Balances brought forward at 1 April 2021 as restated		<u>11,070</u>	<u>1,130</u>	<u>125,979</u>	<u>138,179</u>	<u>132,313</u>
Balances carried forward At 31 March 2022		<u>11,887</u>	<u>1,807</u>	<u>126,011</u>	<u>139,705</u>	<u>138,179</u>

The notes on pages 19 to 30 form part of these accounts.
Detailed comparative information is provided in note 15.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
BALANCE SHEET
YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
FIXED ASSETS						
Tangible assets	10	1	-	97,229	97,230	91,888
Investments	11	3,584	1,509	37,295	42,388	44,794
Total Fixed Assets		<u>3,585</u>	<u>1,509</u>	<u>134,524</u>	<u>139,618</u>	<u>136,682</u>
CURRENT ASSETS						
Debtors	12	27	-	-	27	39
Cash at bank and in hand		<u>8,363</u>	<u>298</u>	<u>(7,370)</u>	<u>1,291</u>	<u>2,375</u>
Total Current Assets		8,390	298	(7,370)	1,318	2,414
CURRENT LIABILITIES						
Creditors	13	<u>(88)</u>	-	<u>(1,143)</u>	<u>(1,231)</u>	<u>(917)</u>
NET CURRENT ASSETS		<u>8,302</u>	<u>298</u>	<u>(8,513)</u>	<u>87</u>	<u>1,497</u>
TOTAL NET ASSETS		<u>11,887</u>	<u>1,807</u>	<u>126,011</u>	<u>139,705</u>	<u>138,179</u>
<i>THE FUNDS OF THE CHARITY:</i>						
PERMANENT ENDOWMENT FUNDS	14	-	-	126,011	126,011	125,980
RESTRICTED FUNDS	14	-	1,807	-	1,807	1,131
UNRESTRICTED FUNDS	14					
General operational fund		9,921	-	-	9,921	9,228
Designated fund		<u>1,966</u>	-	-	<u>1,966</u>	<u>1,840</u>
TOTAL FUNDS		<u>11,887</u>	<u>1,807</u>	<u>126,011</u>	<u>139,705</u>	<u>138,179</u>

Approved by the Board of Trustees on _____

and signed on its behalf by:

Trustee

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(243)	(858)
Cash flows from investing activities:			
Dividends and interest from investments		872	704
Proceeds from the disposal of investments		6,383	32,416
Purchase of investments		(24,344)	(15,267)
Purchase of fixed assets		(5,763)	(1,932)
Net cash (used in) generated from investing activities		<u>(22,852)</u>	<u>15,921</u>
Change in cash and cash equivalents in the year		(23,095)	15,063
Cash and cash equivalents at 1 April 2021	B	26,565	11,502
Cash and cash equivalents at 31 March 2022	B	<u>3,470</u>	<u>26,565</u>

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 MARCH 2022:

A. Reconciliation of net movement in funds to net cash used in operating activities

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	1,526	5,866
Adjustments for:		
Depreciation charge	801	801
Gains on investments	(1,644)	(5,266)
Gifts in kind	-	(1,281)
Dividends and interest from investments	(872)	(698)
Decrease (increase) in debtors	12	(1)
Decrease in creditors	(66)	(279)
Net cash used in operating activities	<u>(243)</u>	<u>(858)</u>

B. Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	1,291	2,375
Cash held by investment advisors	2,179	24,190
Total cash and cash equivalents at 31 March 2022	<u>3,470</u>	<u>26,565</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 2022

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 2022.

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) updated October 2019, 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).

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.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

d) Income recognition (continued)

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.

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.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

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
YEAR ENDED 31 MARCH 2022

2. DONATIONS AND LEGACIES

	Unrestricted Funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000	<i>Total funds 2021 £'000</i>
Dulwich estate	757	-	-	757	924
Legacy	-	665	-	665	-
Contributions to Boys' School building project from other funders	-	-	-	-	1,281
2022 Total funds:	757	665	-	1,422	2,205
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2021 £'000</i>	
<i>Dulwich estate</i>	924	-	-	924	
<i>Contributions to Boys' School building project from other funders</i>	-	-	1,281	1,281	
<i>2021 Total funds:</i>	<u>924</u>	<u>-</u>	<u>1,281</u>	<u>2,205</u>	

London Borough of Islington and the Education and Skills Funding Agency agreed to contribute a total of £8,202,693 (including VAT) towards Phase 1 of the redevelopment of the Central Foundation Boys' School. The final portion of those funders' share of the costs incurred during the totalling £1,281,000 was recognised in the prior year 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 £'000	Restricted Funds £'000	Endowment funds £'000	Total funds 2022 £'000	<i>Total funds 2021 £'000</i>
Rental income	5	-	-	5	5
Bank and other interest	-	-	-	-	3
Dividend income	854	13	-	867	695
2022 Total funds	859	13	-	872	703
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2021 £'000</i>	
<i>Rental income</i>	5	-	-	5	
<i>Bank and other interest</i>	3	-	-	3	
<i>Dividend income</i>	678	17	-	695	
<i>2021 Total funds</i>	<u>686</u>	<u>17</u>	<u>-</u>	<u>703</u>	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

4. COST OF RAISING FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total funds 2022 £'000	<i>Total funds 2021 £'000</i>
Investment management fees	20	15	172	207	191
Investment property costs	6	-	-	6	-
2022 Total funds	26	15	172	213	191
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2021 £'000</i>	
Investment management fees	27	3	161	191	
<i>2021 Total funds</i>	<i>27</i>	<i>3</i>	<i>161</i>	<i>191</i>	

5. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000	<i>Total funds 2021 £'000</i>
Support to schools (note 6)	1,302	6	33	1,341	1,228
Depreciation charge (note 10)	-	-	800	800	801
Governance costs (note 7)	58	-	-	58	88
2022 Total funds	1,360	6	833	2,199	2,117
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2021 £'000</i>	
<i>Support to schools (note 6)</i>	<i>1,222</i>	<i>-</i>	<i>6</i>	<i>1,228</i>	
<i>Depreciation charge (note 10)</i>	<i>1</i>	<i>-</i>	<i>800</i>	<i>801</i>	
<i>Governance costs (note 7)</i>	<i>88</i>	<i>-</i>	<i>-</i>	<i>88</i>	
<i>2021 Total funds</i>	<i>1,311</i>	<i>-</i>	<i>806</i>	<i>2,117</i>	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

6. SUPPORT TO SCHOOLS

	Boys' School £'000	2022 Girls' School £'000	Total £'000	<i>Boys' School £'000</i>	<i>2021 Girls' School £'000</i>	<i>Total £'000</i>
Grants to Schools						
Staff costs	19	1	20	18	1	19
Direct grants	286	599	885	383	484	867
Girls' School PFI payment	-	290	290	-	290	290
Total	305	890	1,195	401	775	1,176
School Premises Costs						
Other costs	62	-	62	9	-	9
Awards and Prizes						
Bursaries	15	18	33			
Bendy awards	6	-	6	6		6
Total	21	18	39	6		6
Support costs						
Staff costs	9	3	12	9	3	12
Other costs						
Printing, stationery, postage, telephone	11	3	14	5	2	7
Computer support	8	2	10	7	2	9
Insurance	3	1	4	3	1	4
Website	4	1	5	4	1	5
Total	26	7	33	19	6	25
2022 Total funds	423	918	1,341	444	784	1,228

7. GOVERNANCE COSTS

	2022 £'000	<i>2021 £'000</i>
Auditor's remuneration for audit	17	10
Trustee expenses	-	1
Trustee indemnity insurance	2	3
Professional fees	4	32
Governance Review	-	7
Staff costs	35	35
2022 Total funds	58	88

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

8. TOTAL STAFF COSTS – INCLUDED IN NOTES 6 & 7

	2022	2021
	£'000	£'000
Salaries	67	67
Social security costs	4	4
Pension costs	3	3
	74	74

The average number of employees in the year was 2 (2021 - 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	2022 Total £'000
Cost or valuation				
As at 1 April 2021	5	73,497	23,764	97,266
Additions	-	-	6,143	6,143
Cost or valuation				
As at 31 March 2022	5	73,497	29,907	103,409
Depreciation				
As at 1 April 2021	4	5,375	-	5,379
Charge for year	-	800	-	800
As at 31 March 2022	4	6,175	-	6,179
Net book value				
As at 31 March 2022	1	67,322	29,907	97,230
As at 31 March 2021	1	68,123	23,764	91,888

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.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

11. INVESTMENTS AT MARKET VALUE

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total £'000	<i>2021 Total £'000</i>
Listed Investments	35,136	3,033	1,490	39,659	20,604
Dealing Account	2,159	1	19	2,179	24,190
Investment property	-	550	-	550	-
	<u>37,295</u>	<u>3,584</u>	<u>1,509</u>	<u>42,388</u>	<u>44,794</u>

SUMMARY OF SHARES AND OTHER SECURITIES

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total £'000
As at 1 April 2021	17,372	2,538	694	20,604
Additions	23,035	531	778	24,344
Disposals	(6,308)	(73)	(2)	(6,383)
Realised and unrealised losses	1,037	37	20	1,094
As at 31 March 2022	<u>35,136</u>	<u>3,033</u>	<u>1,490</u>	<u>39,659</u>

COST OF INVESTMENTS

31 March 2022	<u>33,130</u>	<u>1,894</u>	<u>584</u>	<u>35,608</u>
<i>31 March 2021</i>	<u>20,085</u>	<u>3,176</u>	<u>487</u>	<u>23,748</u>

SUMMARY OF INVESTMENT PROPERTY

	2022 £'000
As at 1 April 2021	-
Revaluation	<u>550</u>
As at 31 March 2022	<u>550</u>

12. DEBTORS

	2022 £'000	<i>2021 £'000</i>
Prepayments	5	4
Accrued income	<u>22</u>	<u>35</u>
	<u>27</u>	<u>39</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

13. CREDITORS

	2022 £'000	2021 £'000
Trade creditors	64	64
Other creditors	-	1
Accruals	<u>1,167</u>	<u>852</u>
	<u>1,231</u>	<u>917</u>

14. ANALYSIS OF CHARITABLE FUNDS

	At 1 April 2021 £'000	Income £'000	Resources expended £'000	Gains on investments £'000	Transfers between funds £'000	At 31 March 2022 £'000
Permanent						
Endowments						
Dulwich Estate	9,156	-	(16)	79	-	9,219
Newman Trust	2	-	-	-	-	2
Mrs Irene Buckman	20	-	-	-	-	20
Boys' School Fund	12,443	-	(27)	(226)	(6,143)	6,047
Girls' School Fund	8,984	-	(34)	274	-	9,224
Veritas Fund	6,000	-	(47)	721	-	6,674
Investment property Fund						
City Road	7,450	-	(40)	152	-	7,562
College Terrace	1,990	-	(8)	37	-	2,019
Bursaries & Prizes	994	-	(33)	-	-	961
Land and buildings	78,940	-	(800)	-	6,143	84,283
Total	<u>125,979</u>	<u>-</u>	<u>(1,005)</u>	<u>1,037</u>	<u>-</u>	<u>126,011</u>
Restricted funds						
Prizes and grants	160	1	(6)	1	-	156
Bendy	963	12	(15)	12	-	972
Newman Trust	3	-	-	-	-	3
Mrs Irene Buckman	4	-	-	-	-	4
Reginald Gray Portfolio	-	665	-	7	-	672
Total	<u>1,130</u>	<u>678</u>	<u>(21)</u>	<u>20</u>	<u>-</u>	<u>1,807</u>
General operational Fund	9,230	1,616	(1,096)	587	(416)	9,921
Designated funds	1,840	-	(290)	-	416	1,966
Total	<u>11,070</u>	<u>1,616</u>	<u>(1,386)</u>	<u>587</u>	<u>-</u>	<u>11,887</u>
Total	<u>138,179</u>	<u>2,294</u>	<u>(2,412)</u>	<u>1,644</u>	<u>-</u>	<u>139,705</u>

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.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

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 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 is 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:

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 CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

The designated funds represents reserves set aside by the trustees to cover the present value of the Foundation's commitment to the Girls' School PFI contract, together with the income generated from the Boys' School and Girls' School endowment funds, which has been set aside for use by the Schools.

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

15. COMPARATIVE INFORMATION

Analysis of income and expenditure in the year ended 31 March 2021 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2021</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>	924	-	-	924
<i>Gifts in kind</i>	-	-	1,281	1,281
<i>Investment income</i>				
<i>Rental income</i>	5	-	-	5
<i>Bank and other interest</i>	3	-	-	4
<i>Dividend income</i>	678	17	-	695
<i>Total income</i>	<u>1,610</u>	<u>17</u>	<u>1,281</u>	<u>2,908</u>
<i>EXPENDITURE</i>				
<i>Cost of raising funds</i>				
<i>Investment management fees</i>	27	3	161	191
<i>Charitable activities</i>				
<i>Support to schools</i>	1,311	-	808	2,117
<i>Total expenditure</i>	<u>1,338</u>	<u>3</u>	<u>967</u>	<u>2,308</u>
<i>Net income before gains on investments</i>	272	14	314	600
<i>Net gains on investments</i>	62	120	5,084	5,266
<i>Net income and net movement in funds</i>	<u>334</u>	<u>134</u>	<u>5,398</u>	<u>5,866</u>
<i>Reconciliation of funds</i>				
<i>Balances brought forward at 1 April 2020</i>	<u>10,734</u>	<u>997</u>	<u>120,582</u>	<u>132,313</u>
<i>Balances carried forward at 31 March 2021</i>	<u>11,068</u>	<u>1,131</u>	<u>125,890</u>	<u>138,179</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2022

15. COMPARATIVE INFORMATION (CONTINUED)

Analysis of balance sheet at 31 March 2021 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2021</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
FIXED ASSETS				
<i>Tangible assets</i>	1	-	91,887	91,888
<i>Investments</i>	2,543	709	41,542	44,794
<i>Total Fixed Assets</i>	<u>2,544</u>	<u>709</u>	<u>133,429</u>	<u>136,682</u>
CURRENT ASSETS				
<i>Debtors</i>	39	-	-	39
<i>Cash at bank and in hand</i>	<u>8,631</u>	<u>422</u>	<u>(6,678)</u>	<u>2,375</u>
<i>Total Current Assets</i>	8,670	422	(6,678)	2,414
CURRENT LIABILITIES				
<i>Creditors</i>	<u>(146)</u>	<u>-</u>	<u>(771)</u>	<u>(917)</u>
NET CURRENT ASSETS	<u>8,524</u>	<u>422</u>	<u>(7,449)</u>	<u>1,497</u>
TOTAL NET ASSETS	<u>11,068</u>	<u>1,131</u>	<u>125,980</u>	<u>138,179</u>
THE FUNDS OF THE CHARITY:				
PERMANENT				
ENDOWMENT FUNDS	-	-	125,980	125,980
RESTRICTED FUNDS	-	1,131	-	1,131
UNRESTRICTED FUNDS				
<i>General operational fund</i>	9,228	-	-	9,228
<i>Designated fund</i>	1,840	-	-	1,840
TOTAL FUNDS	<u>11,068</u>	<u>1,131</u>	<u>125,980</u>	<u>138,179</u>