

Registered Charity No. 312695

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2019

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
GENERAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

Patron	The Lord Mayor	
Trustees	Until 30 June 2018:	
	Mr C Arding ^{3, 5}	
	Revd D Armstrong	Appointed 7 February 2019
	Mr K Bottomley ¹	
	Mr S Brown ¹	
	Mr J E Cruse ^{2, 5, 6}	
	Mr N Fletcher ²	Resigned 3 January 2019
	Mr B Gooden ⁵	
	The Rev The Lord Griffiths of Pembrey and Burry Port ³	Chairman
	Mrs S Griffiths	Appointed 1 August 2018
	Mr C Gurney ^{1, 4}	
	Mr R Howard ^{1, 2}	
	Mr G Kegler ^{1, 2}	Appointed 30 May 2019
	Ms D Khambata ^{3, 4}	
	Mr R Maas ^{1, 2}	
	Ms M Moore	Resigned 31 August 2018
	Mr S Malik	
	Mr F Sumner ³	
	Mr M Yershon ²	Appointed 11 July 2019

From 1 July 2018 CFSL Trustee Limited (company registration number 11294870) became the sole corporate trustee of the charity.

The Trustees listed above continued to act as directors of the corporate trustee and charity trustees for the purposes of charity regulation.

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	National Westminster Bank Plc City of London Office P O Box 12258 1 Princes Street London EC2R 8PA	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

¹ Member of Finance Committee

² Member of Investment Sub-Committee

³ Member of Compliance, Audit & Risk Assessment Committee

⁴ Governor of the Boys' School

⁵ Governor of the Girls' School

⁶ Trustee Dulwich Estate

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 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), effective from accounting periods commencing 1 January 2015 or later.

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 is managed by a Board of Trustees which 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. There are currently two vacancies for co-opted Trustees to be appointed by the Board.

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.

Both the trustees of the charity prior to 30 June 2018 and the directors of the corporate trustee from that date onward are referred to as 'the Trustees' throughout this report.

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 2019

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 & Investment Committee and the Compliance, Audit & Risk Assessment Committee. The Finance & Investment Committee meets two weeks before each meeting of the full Board of Trustees. The Compliance, Audit & Risk Assessment Committee meets once per term, with additional meetings if this is found to be necessary. The Finance Committee works under the Chairmanship of Mr R Maas, with its Investment sub-Committee under the Chairmanship of Mr G Kegler, 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 Trustees employ a Clerk/Bursar and an Administration Officer. They 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 2019

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 previously reserved £23m 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 Funding and Development Agreement was agreed on the 12 July 2018. Assuming the London Borough of Islington and the Education & Skills Funding Agency (ESFA) meet their commitments to contribute a total of £7.8 million to the project, the Charity's maximum exposure to costs and fees arising from the Phase 1 Redevelopment should not exceed £13.85m. To the extent that the Charity is obliged to fund any shortfall in those contributions, the Charity's obligations to fund any additional building works beyond Phase 1 will be reduced by an equivalent amount. The building contract between the Boys' School and Glibert Ash relating to the Phase 1 Redevelopment has been agreed.

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 £1,185,000 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 2019

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 2019 were in line with management accounts and formal budgets. The Foundation's excess of income over expenditure was £1,740,000 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 £1,512,000 (2018: losses of £515,000) on its investments in the year to 31 March 2019.

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	378	807	1,185
Boys' School premises costs	8	-	8
Awards & prizes	3	3	6
Support costs	9	2	11
Other costs	17	4	21
Total	<u>415</u>	<u>816</u>	<u>1,231</u>

Further details are shown in Note 6 page 19.

The Boys' School has 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 has been engaged in discussions with both schools with a view to resolving this challenge. The outline of a solution has been agreed and discussions are ongoing. The financial implications of this solution are discussed on page 7.

Future Developments

The Trustees have continued to spend considerable time during the past year considering how best they are able to place the resources of the Foundation to enhance the educational development of both schools and in particular to facilitate the Boys' School refurbishment and partial redevelopment project. Phase 1 of this project commenced in the second half of 2018. Phase 2 and its funding are still on going. The current estimated refurbishment cost of the Boys' School refurbishment and partial redevelopment project is £44m. The Boys' School governors and the Trustees have finalised with the Education Skills and Funding Agency (ESFA) and Islington Local Authority their funding contributions necessary to deliver the project. The methods and final sources of funding for this redevelopment are yet to be finalised.

Fixed Assets

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

Investment Policy

The 12 month period to 31 March 2019 saw increased levels of volatility in equity markets, with particular weakness observed in December 2018. However, equities bounced back strongly at the start of 2019 meaning the FTSE All Share produced a total return (income plus capital gains) of +6.4%, the FTSE All World ex-UK +10.9% and the UK Government Bond Index +3.7% over the financial year.

As at 31 March 2019, the Rathbone portfolio added +7.20% and is valued at £14,191,474 and is producing an income of £398,377, equivalent to a yield of 2.70%.

As at 31 March 2019 the 3 portfolios at JM Finn & Co the main portfolio added +7.60%. The Bendy I portfolio returned +7.00% whilst the Bendy II portfolio added +7.5%.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2019

Investment Policy (cont)

As at 31 March 2019, the main JM Finn portfolio is valued at £18,019,802 and is producing an income of £612,614, equivalent to a yield of 3.37%. No2 account is valued at £9,919,721 and is producing an income of £55,533, equivalent to a yield of 0.57%. Bendy 1 account is valued at £547,456 and is producing an income of £19,240, equivalent to a yield of 3.46%. Bendy II account is valued at £408,098 and is producing an income of £12,049, equivalent to a yield of 2.91%.

The Trustees met with the 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 2019 the Foundation had total reserves of £131,764,000 which were made up as follows:

	£'000
Endowment funds	120,029
Restricted funds	1,030
Unrestricted funds	10,705
Total Reserves	131,764

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

The Total Assets and Reserves of the Foundation	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total £'000
Net book value of Fixed Assets (Freehold Property and Office Equipment)	3	-	76,967	76,970
<i>Current assets and investment as per the Balance sheet on page 12</i>				
Investments at market value	4,323	702	38,352	43,377
Cash	7,470	328	5,594	13,392
Net other assets and liabilities	(1,091)	-	(884)	(1,975)
Total current assets & investments	10,702	1,030	43,062	54,794
Total Assets	10,705	1,030	120,029	131,764

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:

Availability of current assets and investments	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total £'000
Total current assets and investments (as above)	10,702	1,030	43,062	54,794
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.	(2,420)	-	-	(2,420)
2. Set aside to cover bursaries and prizes	-	-	(1,000)	(1,000)
3. To be used to facilitate the Boys' School development project	-	-	(17,235)	(17,235)
4. Restricted to the uses specified in their restricted funds	-	(1,030)	-	(1,030)
Subtotal of amounts already earmarked in some way	(2,420)	(1,030)	(18,235)	(21,685)
Current assets and investments potentially available for other purposes	8,282	-	24,827	33,109

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2019

Reserves Policy and Financial Position (cont)

As shown above, the reserves available to the Foundation which have not been already been in some way earmarked are £33,109,000 (the 'available reserves'). It should be noted that (as shown above) only £8,282,000 of this is unrestricted (the 'free reserves' of the Foundation). The rest (£24,827,000) is part of the permanent endowment of the Foundation.

With respect to each of the categories identified above:

1. *Designated funds*

The trustees have designated a reserve of £2,420,000 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 in addition to the restricted funds referred to below.
3. The trustees intend to use up to £23,000,000 of the endowment fund to facilitate the Boys' School refurbishment and partial redevelopment project of which £3,690,906 was utilised in previous periods and £2,074,336 was utilised in 2018/19, leaving a remaining amount of £17,234,758. The trustees have applied to the Charity Commission and have received permission to release part of these funds from the permanent endowment being a minimum of £13.85m and further sums if required.

4. *Restricted funds*

Restricted funds of £1,030,000 comprise monies restricted to particular purposes, particularly the award of bursaries, prizes, grants and scholarships. Further details are given in note 14 to the accounts.

5. 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 intention of the Trustee is to agree, with both schools, a solution which benefits each of them to the extent that they, and the Foundation, might each have reasonably expected had this challenge never arisen. The outline of a solution has now been agreed with both schools. If this solution can be finalised, and if it is approved by the Charity Commission, then the Foundation will earmark a further £13.2 million for property acquisition and / or development at the two schools.

In formulating their reserves policy, the trustees have taken account of the available reserves (£33,109,000) and the proportion considered to be free reserves (£8,282,000). The trustees note if the proposed solution outlined above can be finalised then a further £13.2 million will be designated, and available reserves would reduce to £19,909,000. At the present investment return of 2.35%, this would produce an income of approximately £470,000 per annum. It is the trustees' intention to seek to maintain a reserve fund which continues to produce this level of annual income (adjusted for inflation). As regards this income it will be the trustees' 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 trustees would like to designate further reserves to establish a sinking fund or maintenance reserve to maintain the Foundation's freehold property in good repair. They have not been able to make any proposal at present because of changes to the provision of public money for capital expenditure in schools. Should one or both beneficiaries become academies, the present arrangement whereby the Foundation "tops up" monies received from the local authorities would no longer operate; academies must apply to the EFA for capital grants. When the position becomes clearer the committee would wish to review this matter with the intention of broadly replicating or improving on the current position.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
TRUSTEES' REPORT (CONT)
YEAR ENDED 31 MARCH 2019

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 31 January 2020
and signed on its behalf by

R Maas

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE
YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of The Central Foundation Schools of London (the 'charity') for the year ended 31 March 2019 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 2019 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE (CONT)
YEAR ENDED 31 MARCH 2019

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.

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.

A further description of our responsibilities for the audit of the financial statements 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 trustee 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 trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
31 January 2020

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 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
INCOME						
Donations and legacies						
Dulwich Estate	2	1,071	-	-	1,071	1,604
Gifts in kind		-	-	1,900	1,900	
Investment income						
Rental income	3	6	-	-	6	6
Bank and other interest		38	-	-	38	14
Dividend income		999	23	-	1,022	1,092
Total income		<u>2,114</u>	<u>23</u>	<u>1,900</u>	<u>4,037</u>	<u>2,716</u>
EXPENDITURE						
Cost of raising funds						
Investment management fees	4	23	3	141	167	210
Charitable activities						
Support to schools	5, 6	1,324	6	800	2,130	2,142
Total expenditure		<u>1,347</u>	<u>9</u>	<u>941</u>	<u>2,297</u>	<u>2,352</u>
Net income before gains (losses) on investments						
		767	14	959	1,740	364
Net gains (losses) on investments	11	145	24	1,343	1,512	(515)
Net income (expenditure) and net movement in funds		<u>912</u>	<u>38</u>	<u>2,302</u>	<u>3,252</u>	<u>(151)</u>
Reconciliation of funds						
Balances brought forward at 1 April 2018 as previously stated		77,059	992	50,461	128,512	128,663
Prior year adjustment	16	(67,266)	-	67,266	-	-
Balances brought forward at 1 April 2018 as restated		<u>9,793</u>	<u>992</u>	<u>117,727</u>	<u>128,512</u>	<u>128,663</u>
Balances carried forward At 31 March 2019		<u>10,705</u>	<u>1,030</u>	<u>120,029</u>	<u>131,764</u>	<u>128,512</u>

**The notes on pages 15 to 23 form part of these accounts.
Detailed comparative information is provided in note 15.**

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
BALANCE SHEET
31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2019 £'000	Restated Total Funds 2018 £'000
FIXED ASSETS						
Tangible assets	10	3	-	76,967	76,970	73,795
Investments	11	4,323	702	38,352	43,377	41,986
Total Fixed Assets		<u>4,326</u>	<u>702</u>	<u>115,319</u>	<u>120,347</u>	<u>115,781</u>
CURRENT ASSETS						
Debtors	12	61	-	-	61	110
Cash at bank and in hand		<u>7,470</u>	<u>328</u>	<u>5,594</u>	<u>13,392</u>	<u>13,188</u>
Total Current Assets		7,531	328	5,594	13,453	13,298
CURRENT LIABILITIES						
Creditors	13	<u>(1,152)</u>	-	<u>(884)</u>	<u>(2,036)</u>	<u>(567)</u>
NET CURRENT ASSETS		<u>6,379</u>	<u>328</u>	<u>4,710</u>	<u>11,417</u>	<u>12,731</u>
TOTAL NET ASSETS		<u>10,705</u>	<u>1,030</u>	<u>120,029</u>	<u>131,764</u>	<u>128,512</u>
<i>THE FUNDS OF THE CHARITY:</i>						
PERMANENT ENDOWMENT FUNDS	14	-	-	120,029	120,029	117,727
RESTRICTED FUNDS	14	-	1,030	-	1,030	992
UNRESTRICTED FUNDS	14					
General operational fund		8,285	-	-	8,285	7,083
Designated fund		<u>2,420</u>	-	-	<u>2,420</u>	<u>2,710</u>
TOTAL FUNDS		<u>10,705</u>	<u>1,030</u>	<u>120,029</u>	<u>131,764</u>	<u>128,512</u>

Approved by the Board of Trustees on 31 January 2020
and signed on its behalf by

R Maas
Trustee

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
STATEMENT OF CASH FLOWS
31 MARCH 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash generated from (used in) operating activities	A	167	(450)
Cash flows from investing activities:			
Dividends and interest from investments		1,108	1,056
Proceeds from the disposal of investments		3,322	4,976
Purchase of investments		(3,609)	(15,324)
Purchase of fixed assets		(1,193)	(1,541)
Net cash used in investing activities		<u>(372)</u>	<u>(10,833)</u>
Change in cash and cash equivalents in the year		(205)	(11,283)
Cash and cash equivalents at 1 April 2018	B	13,887	25,170
Cash and cash equivalents at 31 March 2019	B	<u>13,682</u>	<u>13,887</u>

Notes to the statement of cash flows for the year to 31 March 2019:

A Reconciliation of net movement in funds to net cash generated from (used in) operating activities			
		2019 £'000	2018 £'000
Net movement in funds (as per the statement of financial activities)		3,252	(151)
Adjustments for:			
Depreciation charge		801	770
(Gains) Losses on investments		(1,512)	515
Gifts in kind		(1,900)	-
Dividends and interest from investments		(1,060)	(1,106)
Decrease (increase) in debtors		1	(4)
Increase (decrease) in creditors		585	(474)
Net cash generated from (used in) operating activities		<u>167</u>	<u>(450)</u>
B Analysis of cash and cash equivalents			
		2019 £'000	2018 £'000
Cash at bank and in hand		13,188	5,153
Cash with investment advisors		699	20,017
Total cash and cash equivalents at 1 April 2018		<u>13,887</u>	<u>25,170</u>
Cash at bank and in hand		13,392	13,188
Cash held by investment advisors		290	699
Total cash and cash equivalents at 31 March 2019		<u>13,682</u>	<u>13,887</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2019

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 2019.

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 2020, 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 2019

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.

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 2019

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 2019

2. DONATIONS AND LEGACIES

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	<i>Total funds 2018 £'000</i>
Dulwich estate	1,071	-	-	1,071	1,599
Contributions to Boys' School building project from other funders	-	-	1,900	1,900	-
Legacies	-	-	-	-	5
2019 Total funds:	1,071	-	1,900	2,971	1,604
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2018 £'000</i>	
<i>Dulwich estate</i>	1,599	-	-	1,599	
<i>Legacies</i>	5	-	-	5	
<i>2018 Total funds:</i>	<i>1,604</i>	<i>-</i>	<i>-</i>	<i>1,604</i>	

London Borough of Islington and the Education and Skills Funding Agency have agreed to contribute a total of £7,838,000 (including VAT) towards Phase 1 of the redevelopment of the Central Foundation Boys' School. Those funders' share of the costs incurred to date total £1,900,000 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 £'000	Restricted Funds £'000	Endowment funds £'000	Total funds 2019 £'000	<i>Total funds 2018 £'000</i>
Rental income	6	-	-	6	6
Bank and other interest	38	-	-	38	14
Dividend income	999	23	-	1,022	1,092
2019 Total funds	1,043	23	-	1,066	1,112
	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2018 £'000</i>	
<i>Rental income</i>	6	-	-	6	
<i>Bank and other interest</i>	14	-	-	14	
<i>Dividend income</i>	1,066	26	-	1,092	
<i>2018 Total funds</i>	<i>1,086</i>	<i>26</i>	<i>-</i>	<i>1,112</i>	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

4. COST OF RAISING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
2019 Total funds:					
Investment management fees	23	3	141	167	210
<i>2018 Total funds: Investment management fees</i>	27	3	180	210	

5. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
Support to schools (note 6)	1,225	6	-	1,231	1,297
Depreciation charge (note 10)	1	-	800	801	770
Governance costs (note 7)	98	-	-	98	75
2019 Total funds	1,324	6	800	2,130	2,142
	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total funds 2018 £'000</i>	
<i>Support to schools (note 6)</i>	1,286	11	-	1,297	
<i>Depreciation charge (note 10)</i>	1	-	769	770	
<i>Governance costs (note 7)</i>	75	-	-	75	
<i>2018 Total funds (restated)</i>	1,362	11	769	2,142	

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

6. SUPPORT TO SCHOOLS	Boys' School £'000	2019 Girls' School £'000	Total £'000	Boys' School £'000	2018 Girls' School £'000	Total £'000
Grants to Schools						
Staff costs	16	5	21	13	10	23
Direct grants	348	512	860	293	437	730
Girls' School PFI payment	-	290	290	-	290	290
Academisation	14	-	14	43	-	43
Total	378	807	1,185	349	737	1,086
School Premises Costs						
Other costs	8	-	8	5	-	5
Awards and Prizes	3	3	6	8	3	11
Support costs						
Staff costs	9	2	11	9	2	11
Academisation	-	-	-	107	-	107
Total	9	2	11	116	2	118
Other costs						
Printing, stationery, postage and telephone	8	2	10	1	-	1
Computer support	4	1	5	5	1	6
Legal and professional	1	-	1	65	-	65
Repairs and renewals	-	-	0	2	-	2
Insurance	4	1	5	2	1	3
Total	17	4	21	75	2	77
2019 Total funds	415	816	1,231	553	744	1,297

7. GOVERNANCE COSTS	2019 £'000	2018 £'000
Auditor's remuneration for audit	12	12
Auditor's other advice	-	3
Trustee indemnity insurance	3	3
Professional fees	11	11
Incorporation fees	39	15
Staff costs	33	31
2019 Total funds	98	75

8. TOTAL STAFF COSTS	2019 £'000	2018 £'000
Salaries	66	72
Social security costs	4	4
Pension costs	3	3
	73	79

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

8. TOTAL STAFF COSTS (CONTINUED)

The average number of employees in the year was 2 (2018 - 2), neither of whose emoluments exceeded £60,000. The Foundation also pay the costs of part-time clerks to the Boys' and Girls' School.

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 Equipme nt £'000	Freehold Property £'000	Assets under construction £'000	2019 Total £'000
Cost or valuation As at 1 April 2018	2	73,498	3,270	76,770
Additions funded by the Foundation	3	-	2,073	3,976
Contributions from other funders (note 2)	-	-	1,900	
Cost or valuation As at 31 March 2019	<u>5</u>	<u>73,498</u>	<u>7,243</u>	<u>80,746</u>
Depreciation As at 1 April 2018	1	2,974	-	2,975
Charge for year	1	800	-	801
As at 31 March 2019	<u>2</u>	<u>3,774</u>	<u>-</u>	<u>3,776</u>
Net book value As at 31 March 2019	<u>3</u>	<u>69,724</u>	<u>7,243</u>	<u>76,970</u>
As at 31 March 2018	<u>1</u>	<u>70,524</u>	<u>3,270</u>	<u>73,795</u>

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	2019 Total £'000	2018 Total £'000
Listed Investments	38,070	4,319	698	43,087	41,287
Dealing Account	282	4	4	290	699
	<u>38,352</u>	<u>4,323</u>	<u>702</u>	<u>43,377</u>	<u>41,986</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

11. INVESTMENTS AT MARKET VALUE (CONTINUED)

SUMMARY OF SHARES AND OTHER SECURITIES

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total £'000
As at 1 April 2018	36,464	4,162	661	41,287
Additions	3,385	190	34	3,609
Disposals	(3,122)	(178)	(22)	(3,322)
Realised and unrealised gains	1,343	145	24	1,512
As at 31 March 2019	<u>38,070</u>	<u>4,319</u>	<u>697</u>	<u>43,086</u>

COST OF INVESTMENTS

31 March 2019	<u>32,635</u>	<u>3,631</u>	<u>544</u>	<u>36,810</u>
<i>31 March 2018</i>	<u>32,239</u>	<u>3,558</u>	<u>525</u>	<u>36,322</u>

12. DEBTORS

	2019 £'000	2018 £'000
Prepayments	3	5
Accrued income	58	105
	<u>61</u>	<u>110</u>

13. CREDITORS

	2019 £'000	2018 £'000
Trade creditors	547	49
Other creditors	1	272
Accruals	1,488	246
	<u>2,036</u>	<u>567</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

14. ANALYSIS OF CHARITABLE FUNDS

	At 1 April 2018 (restated) £'000	Income £'000	Resources expended £'000	Gains on investments £'000	Transfers between funds £'000	At 31 March 2019 £'000
Permanent endowments						
Dulwich Estate	9,072	-	(27)	278	-	9,323
Newman Trust	2	-	-	-	-	2
Mrs Irene Buckman Investment property Fund	22	-	-	1	-	23
City Road	29,086	-	(163)	879	(2,073)	27,729
College Terrace	7,588	-	(19)	185	-	7,754
Burseries & Prizes	1,000	-	-	-	-	1,000
Land and buildings	70,957	1,900	(732)	-	2,073	74,198
Total	117,727	1,900	(941)	1,343	-	120,029
Restricted funds						
Prizes and grants	161	3	(4)	5	-	165
Bendy	826	19	(5)	19	-	859
Newman Trust	3	-	-	-	-	3
Mrs Irene Buckman	2	1	-	-	-	3
Total	992	23	(9)	24	-	1,030
General operational Fund	7,083	2,114	(1,057)	145	-	8,285
Designated fund	2,710	-	(290)	-	-	2,420
Total	9,793	2,114	(1,347)	145	-	10,705
Total	128,512	4,037	(2,297)	1,512	-	131,764

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 2019

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 2019

15. COMPARATIVE INFORMATION

Analysis of income and expenditure in the year ended 31 March 2018 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2018</i>
	£'000	£'000	£'000	£'000
<i>INCOME</i>				
<i>Donations and legacies</i>				
<i>Dulwich Estate</i>	1,604	-	-	1,604
<i>Investment income</i>				
<i>Rental income</i>	6	-	-	6
<i>Bank and other interest</i>	14	-	-	14
<i>Dividend income</i>	1,066	26	-	1,092
<i>Total income</i>	<u>2,690</u>	<u>26</u>	<u>-</u>	<u>2,716</u>
<i>EXPENDITURE</i>				
<i>Cost of raising funds</i>				
<i>Investment management fees</i>	27	3	180	210
<i>Charitable activities</i>				
<i>Support to schools</i>	1,362	11	769	2,142
<i>Total expenditure</i>	<u>1,389</u>	<u>14</u>	<u>949</u>	<u>2,352</u>
<i>Net income (expenditure) before losses on investments</i>	1,301	12	(949)	364
<i>Net losses on investments</i>	(57)	(14)	(444)	(515)
<i>Net income (expenditure) and net movement in funds</i>	<u>1,244</u>	<u>(2)</u>	<u>(1,393)</u>	<u>(151)</u>
<i>Reconciliation of funds</i>				
<i>Balances brought forward at 1 April 2017 (restated)</i>	<u>8,549</u>	<u>994</u>	<u>119,120</u>	<u>128,663</u>
<i>Balances carried forward At 31 March 2018 (restated)</i>	<u>9,793</u>	<u>992</u>	<u>117,727</u>	<u>128,512</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

15. COMPARATIVE INFORMATION (CONTINUED)

Analysis of balance sheet at 31 March 2018 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2018 £'000</i>
	£'000	£'000	£'000	£'000
FIXED ASSETS				
<i>Tangible assets</i>	1	-	73,794	73,795
<i>Investments</i>	4,169	678	37,139	41,986
<i>Total Fixed Assets</i>	<u>4,170</u>	<u>678</u>	<u>110,933</u>	<u>115,781</u>
CURRENT ASSETS				
<i>Debtors</i>	110	-	-	110
<i>Cash at bank and in hand</i>	<u>6,080</u>	<u>314</u>	<u>6,794</u>	<u>13,188</u>
<i>Total Current Assets</i>	6,190	314	6,794	13,298
CURRENT LIABILITIES				
<i>Creditors</i>	<u>(567)</u>	<u>-</u>	<u>-</u>	<u>(567)</u>
NET CURRENT ASSETS	<u>5,623</u>	<u>314</u>	<u>4</u>	<u>12,731</u>
TOTAL NET ASSETS	<u>9,793</u>	<u>992</u>	<u>117,727</u>	<u>128,512</u>
THE FUNDS OF THE CHARITY:				
PERMANENT				
ENDOWMENT FUNDS	-	-	117,727	117,727
RESTRICTED FUNDS	-	992	-	992
UNRESTRICTED FUNDS				
<i>General operational fund</i>	7,083	-	-	7,083
<i>Designated fund</i>	2,710	-	-	2,710
TOTAL FUNDS	<u>9,793</u>	<u>992</u>	<u>117,727</u>	<u>128,512</u>

THE CENTRAL FOUNDATION SCHOOLS OF LONDON
NOTES TO THE ACCOUNTS (CONT)
YEAR ENDED 31 MARCH 2019

16. PRIOR PERIOD RESTATEMENT

The Trustees have agreed that the land and buildings owned by the Foundation, which comprise the premises of the Schools, form part of the permanent endowment. These assets, and the associated depreciation charge, have therefore been reallocated to the endowment fund. This accounting treatment has been applied retrospectively and had the following impact on the funds and net expenditure for comparative periods:

	<i>2018 Funds as Restated</i>			
	<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>Total funds as previously stated</i>	77,059	992	50,461	128,512
<i>Transfer of land and buildings to endowment fund</i>	(67,266)	—	67,266	—
<i>Total funds as restated</i>	<u>9,793</u>	<u>992</u>	<u>117,727</u>	<u>128,512</u>
	<i>2017 Funds as Restated</i>			
	<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>Total funds as previously stated</i>	76,515	994	51,154	128,663
<i>Transfer of land and buildings to endowment fund</i>	(67,966)	—	67,966	—
<i>Total funds as restated</i>	<u>8,549</u>	<u>994</u>	<u>119,120</u>	<u>128,663</u>
	<i>2018 Net Income as Restated</i>			
	<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>Net income as previously stated</i>	543	(2)	(692)	(151)
<i>Reallocation of depreciation charge to endowment fund</i>	701	—	(701)	—
<i>Net income as restated</i>	<u>1,244</u>	<u>(2)</u>	<u>(1,393)</u>	<u>(151)</u>