

THE CITY AND METROPOLITAN WELFARE CHARITY

ACCOUNTS TO 31 DECEMBER 2019

Registered Number 205943

THE CITY AND METROPOLITAN WELFARE CHARITY

TRUSTEES' REPORT

The Trustees of the City and Metropolitan Welfare Charity present its Report for the year ended 31 December 2019.

Structure, Governance and Management

Legal status

The Charity was set up as a charity in September 1961 under a scheme of the Charity Commissioners from an amalgamation of two older charities namely "Prison Charities" (eight ancient bequests established by a high court scheme in 1876) and "The Central Fund of the Metropolitan Convalescent Institution".

The registered number is 205943.

Trustees

| | |
|---------------------------|---|
| Mr Henry Colthurst | The City of London Corporation |
| Mr Mark Wheatley | The City of London Corporation |
| Mr Tom Sheldon (Chairman) | The Mercers' Company |
| Mr David Tate OBE DL | The Mercers' Company |
| Mr John Fenwick CBE DL | The Mercers' Company (retired 3 April 2019) |
| Mr Matthew Pellereau | The Leathersellers' Company |
| Mr David Barrow | The Leathersellers' Company |
| Mr Andrew Cartwright | The Grocers' Company |
| Mr Anthony Pilcher | The Haberdashers' Company |
| Mr David Worlidge | The Ironmongers' Company |
| Mr Richard Jonas | The Clothworkers' Company |

The Trustees are chosen according to the individual practice of each appointing body. Persons appointed may, but need not be, a member of the appointing body.

The Trustees are appointed for a term of four years as follows:

- Two by the Lord Mayor of London
- Three by the Master and Wardens of the Mercers' Company
- Two by the Wardens of the Leathersellers' Company
- One by the Master and Wardens of the Grocers' Company
- One by the Master and Wardens of the Haberdashers' Company
- One by the Master and Wardens of the Ironmongers' Company
- One by the Master and Wardens of the Clothworkers' Company

THE CITY AND METROPOLITAN WELFARE CHARITY

TRUSTEES REPORT (continued)

The address of the principal office of the Charity is:

36 Ladbrooke Grove
London
W11 2PA

The administration of the Charity is carried out by the Clerk - Mr Nigel Pullman, to whom the day to day management is delegated.

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Advisors

Independent Examiner: John Mawer, 4 Elmsleigh Avenue, Leicester LE2 2DF

Banking: Barclays Bank, 1 Churchill Place, London E14 5HP

Investment management: Cazenove Capital, 1 London Wall Place, EC2Y 5AU

Objectives and Activities for the Public Benefit

The Charity's Scheme of Management states that the Trustees shall apply the income of the charity for the benefit of deserving persons who by reason of age, ill health, accident and infirmity or straitened financial circumstances are in need of assistance in either or both of the following ways:

- in the supply of articles in kind or in grants of money and/or
- in grants in aid of the funds of any institutions or organisations established or to be established for the care and relief of such persons.

The Trustees confirm that they have referred to the recommendations contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the forthcoming year. The Trustees consider that the grants made by the Trust during the year are solely for the public benefit.

Grant-making policy

The policy is to apply the resources of the Charity in accordance with its principal objects (above). The Trustees meet twice a year to discuss applications and approve grants.

Currently the grant making priorities of the Charity are to support charitable and community grass roots organisations and those that work with offenders and ex-offenders in London.

Principal achievements for the year

The Trustees have made grants to institutions and organisations providing for the relief of persons in need. All grants were to charitable bodies working in the fields of community welfare and relief in need, as listed in Note 3 to these accounts. No grants have been made directly to individuals, but block grants are made to hospitals and prison charities to enable such small grants to be made in appropriate cases. Grants during the year amounted to £33,000 (2018: £26,000).

THE CITY AND METROPOLITAN WELFARE CHARITY

TRUSTEES REPORT (continued)

Review of financial position

Total Incoming Resources during the year amounted to £37,305 (2018: £35,998) of which £26,805 was income from investments (2018: £27,498) and £10,500 (2018: £8,500) came from donations. In 2019 £33,000 was distributed to 14 charities (2018: £26,000 to 11 charities).

The charity's investments showed a net increase for the year of £61,908 (2018: loss of £60,937) with the closing value being £754,440 versus the opening value at the start of 2019 of £692,532.

Plans for 2019 and beyond

The Trustees will continue to apply the Charity's income for the benefit of those in need, particularly to work that addresses the root causes of offending and re-offending. The Trustees will continue to explore new ways of attracting suitable applications, especially from organisations where a modest grant can make a real difference.

Reserves policy

The Unrestricted Fund of £29,195 represents the reserves available for distribution arising from past operating surpluses. The Trustees believe that holding such reserves of at least six months expended resources is appropriate; in addition, further reserves may be retained where funds are held over for future specified grants. The Trustees regularly review the levels of reserves.

The Endowment Fund of £754,440 is a portfolio of investments managed by investment managers who acquire and dispose of investments in accordance with the investment policy (below).

Investment policy and objectives

In accordance with the trust deed, the Trustees have the power to invest in such stocks, shares and property as appropriate to meet the objectives of the Charity. The Trustees have engaged Cazenove Capital as investment managers. The policy is for a medium risk investment approach and is currently based on balanced growth of both capital and income. The investment performance is compared against relevant market indices. The Trustees receive quarterly investment reports, and a presentation by the Charity's investment advisors, Cazenove Capital, at each meeting.

Valuing volunteers

In keeping with recommended practice, an approximation of the numbers of hours that the Trustees give to the Charity free of charge during the year has been undertaken and is estimated at 80 hours of voluntary time (2018: 80 hours).

Statement of Trustees' Responsibilities

The law applicable to charities in England & Wales requires trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

THE CITY AND METROPOLITAN WELFARE CHARITY

TRUSTEES REPORT (continued)

Statement of Trustees' Responsibilities (continued)

In preparing financial statements giving a true and fair view, trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the finance 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 accounting records which are such as to disclose, with reasonable accuracy, the financial position of the charity at any time, and to enable the Trustees to ensure that the accounts comply with the disclosure regulations (primarily Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005) and the Charities Act 2011. The Trustees are also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Risk management

The Trustees acknowledge their responsibility for the management of risks faced by the Charity. The Trustees, in considering the governance, management, operational, financial and environmental risks, are satisfied, at this stage, that there is no material exposure and that there are procedures in place to mitigate such risks. This will, however, be kept under review.

The Trustees have agreed clear lines of delegation and authority and both the Trustees and Clerk are involved in the recognition of risk in all their activities.

Signed on behalf of the Trustees by:

Chairman of Board of Trustees
Date: 8 April 2020

THE CITY AND METROPOLITAN WELFARE CHARITY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF The City and Metropolitan Welfare Charity

for the year ended 31 December 2019

Report of the independent examiner to the Trustees of The City & Metropolitan Welfare Charity

I report on the accounts of the Trust for the year ended 31 December 2019 which are set out on pages 6 to 11 as required by the Charities Act 2011.

Respective responsibilities of trustees and independent examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility:

- to examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met: or
- 2) to which, in my opinion, attention in connection should be drawn in order to enable a proper understanding of the accounts to be reached.

John Mawer, Chartered Accountant
JW Mawer Ltd
4 Elmsleigh Avenue
Leicester
LE2 2DF

8 April 2020

THE CITY AND METROPOLITAN WELFARE CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | Unrestricted Funds £ | 2019 Endowment Funds £ | Total Funds £ | 2018 Total Funds £ |
|--|-------|----------------------------|---------------------------------|---------------------|-----------------------------|
| Incoming resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Investment income | | 26,805 | - | 26,805 | 27,498 |
| Voluntary income | 2 | 10,500 | - | 10,500 | 8,500 |
| Total incoming resources | | 37,305 | - | 37,305 | 35,998 |
| Resources expended | | | | | |
| <i>Charitable activities</i> | | | | | |
| Grants Paid | 3 | (33,000) | - | (33,000) | (26,000) |
| <i>Governance costs</i> | 4 | (8,125) | - | (8,125) | (8,125) |
| Total resources expended | | (41,125) | - | (41,125) | (34,125) |
| Net (outgoing)/incoming resources | | (3,820) | - | (3,820) | 1,873 |
| Gain/(Loss) on investments | 5 | - | 61,908 | 61,908 | (60,937) |
| Net movement in funds | | (3,820) | 61,908 | 58,088 | (59,064) |
| Balances brought forward | | 29,015 | 692,532 | 721,547 | 780,611 |
| Balances at year end | | 25,195 | 754,440 | 779,635 | 721,547 |

The attached notes form an integral part of these accounts.

THE CITY AND METROPOLITAN WELFARE CHARITY

BALANCE SHEET

| | Notes | 31 December 2019 | | 31 December 2018 | |
|---------------------------------------|-------|------------------|----------------|------------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Quoted Investments | 5 | | 754,440 | | 692,532 |
| Current assets and liabilities | | | | | |
| Cash | | 26,120 | | 29,940 | |
| Creditors | | <u>(925)</u> | | <u>(925)</u> | |
| Net current assets | | | 25,195 | | 29,015 |
| Net assets | | | <u>779,635</u> | | <u>721,547</u> |
| Funds | | | | | |
| | | | £ | | £ |
| Unrestricted fund | | | 25,195 | | 29,015 |
| Endowment Funds | | | <u>754,440</u> | | <u>692,532</u> |
| | | | <u>779,635</u> | | <u>721,547</u> |

The attached notes form an integral part of these accounts.

Approved by the Trustees and signed on their behalf by:

Signed

Date: 8 April 2020

THE CITY AND METROPOLITAN WELFARE CHARITY

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

1 ACCOUNTING POLICIES

Accounting basis

The accounts are prepared in accordance with applicable accounting standards, on an historical cost basis as modified by the revaluation of investments and comply with charity law and with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2011.

Incoming Resources

Interest and dividends from investment funds are included as receivable on the due dates. Donations and legacies are recognised when they are received. Gifts in kind are included at their market value at the date of receipt.

Costs of Generating Funds

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice including costs related to independent examination.

Investment gains and losses

Unrealised gains and losses for the year reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward. Unrealised and realised investment gains or losses are shown net on the face of the Statement of Financial Activities.

Investments

Investments are stated at the year end at their market value.

Funds

The charity maintains two types of fund:

- Endowment - where the capital is held in perpetuity to generate unrestricted income;
- Unrestricted - where the fund is not restricted as to use.

THE CITY AND METROPOLITAN WELFARE CHARITY

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019 (Continued)

2 VOLUNTARY INCOME

Donations during the year came from the following sources:

| | 2019 | 2018 |
|---|---------------|--------------|
| | £ | £ |
| Leathersellers' Company Charitable Foundation | 4,000 | - |
| Charity of Sir Richard Whittington (Mercers' Company) | 2,000 | 2,000 |
| Haberdashers' Benevolent Foundation | 1,000 | 1,000 |
| The Ironmongers' Foundation | 500 | 1,000 |
| The Grocers' Charity | 3,000 | 2,000 |
| Clothworkers' Company | - | 2,500 |
| | <u>10,500</u> | <u>8,500</u> |

3 CHARITABLE ACTIVITIES - GRANTS

The following grants to institutions were made by the Charity during the year:

| | 2019 | 2018 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Big Issue Foundation* | - | 1,000 |
| Create* | - | 3,000 |
| Crossroads Counselling* | - | 2,000 |
| Finding Rhythms* | 3,000 | - |
| Fine Cell Work* | 3,000 | - |
| Give a Book* | 2,000 | - |
| Highlights | - | 1,000 |
| Housing the Homeless Central Fund* | 2,000 | - |
| Khulisa* | - | 5,000 |
| Koestler Arts* | 2,000 | - |
| Longford Trust* | 2,000 | - |
| Nehemiah Project* | 3,000 | - |
| New Bridge Foundation* | - | 3,000 |
| New Horizon Youth Centre* | 2,000 | - |
| Personal Support Unit* | - | 1,000 |
| Pimlico Opera* | - | 4,000 |
| Prison Advice and Care Trust* | - | 2,000 |
| Prison Fellowship* | 2,000 | - |
| Prisoners' Education Trust* | 2,000 | - |
| Thanet Community Development Trust* | 2,000 | - |
| Trailblazers Mentoring* | 2,000 | - |
| Upper Room (St Saviour's)* | 3,000 | - |
| Volunteer Link Scheme | - | 2,000 |
| Worth Foundation* | - | 2,000 |
| Working Chance* | 3,000 | - |
| | <u>33,000</u> | <u>26,000</u> |

* Indicates an offender related charity

THE CITY AND METROPOLITAN WELFARE CHARITY

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019 (Continued)

4 GOVERNANCE COSTS

| | 2019 | 2018 |
|--|--------------|--------------|
| | £ | £ |
| Clerk's Fees and Expenses | 7,200 | 7,200 |
| Accountancy and Independent Examination Fees | 925 | 925 |
| | <u>8,125</u> | <u>8,125</u> |

5 QUOTED INVESTMENTS

Quoted investments are shown at market value. The change in value during the year analysed by fund is made up as follows:

| Fund Name | Units Held at 31 Dec 2019 | Opening Balance at 1 Jan 2019 | (Sales)/ Purchases in year | Revaluation Gains/ (Losses) | Closing Balance at 31 Dec 2019 |
|--|------------------------------------|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|
| | | £ | £ | £ | £ |
| Equities | | | | | |
| Trojan Income Fund | 34,000 | 33,216 | 29,071 | 7,501 | 69,788 |
| Majedie Asset UK Income Fund | - | 66,125 | (70,939) | 4,814 | - |
| Schroder Equity Income Trust for Charities | 264,000 | 145,934 | (23,897) | 20,021 | 142,058 |
| Hambro UK Equity Income Fund | 50,000 | 0 | 65,250 | 2,350 | 67,600 |
| Schroders Euro Alpha Income Fund | 35,479 | 35,328 | (14,410) | 3,065 | 23,983 |
| Schroder Asian Income Fund | 46,394 | 32,569 | - | 2,719 | 35,288 |
| M&G Global Dividend Fund | 21,500 | 44,843 | - | 7,073 | 51,916 |
| Fidelity Global Dividend Fund | 24,000 | 0 | 48,072 | (168) | 47,904 |
| Total Equities | | 358,015 | 33,147 | 47,375 | 438,537 |
| Bonds | | | | | |
| Schroders Strategic Credit Fund | 71,040 | 33,780 | - | 1,364 | 35,144 |
| Schroder Sterling Corporate Bond Fund | 100,559 | 53,537 | - | 5,551 | 59,088 |
| Vontobel 24 Absolute Return credit Fund | 350 | 35,248 | - | 948 | 36,196 |
| Total Bonds | | 122,565 | - | 7,863 | 130,428 |
| Multi-Asset Funds | | | | | |
| Trojan Investment Funds-Trojan Fund | 13,964 | 33,974 | - | 3,322 | 37,296 |
| Total Multi-Asset Funds | | 33,974 | - | 3,322 | 37,296 |
| Alternatives | | | | | |
| Henderson UK Absolute Return Fund | - | 34,601 | (35,428) | 827 | - |
| Charities Property Fund | 63,574 | 82,564 | - | (821) | 81,743 |
| Property Income Trust for Charities | 25,591 | 22,655 | - | 57 | 22,712 |
| Schroder Diversified Alternative Assets | 327 | 32,545 | - | 2,144 | 34,689 |
| Total Alternatives | | 172,365 | (35,428) | 2,207 | 139,144 |
| Cash | | 5,613 | 3,422 | - | 9,035 |
| Portfolio Total | | 692,532 | 1,141 | 60,767 | 754,440 |

THE CITY AND METROPOLITAN WELFARE CHARITY

Quoted investments at the year-end are shown at market value. All investments are held in the United Kingdom and are managed by Cazenove Capital.

THE CITY AND METROPOLITAN WELFARE CHARITY

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019 (Continued)

6 CONNECTED CHARITIES

The following related parties and/or their charitable arms are connected in relation to the Trustees:

| | |
|-----------------------------------|-------------------------|
| Corporation of the City of London | Haberdashers' Company |
| Mercers' Company | Ironmongers' Company |
| Grocers' Company | Leathersellers' Company |
| Clothworkers' Company | |