

Consolidated Financial Statements

for the year ended 31st December 2019

Marshall's Charity

Index

| | <u>Page</u> |
|--|-------------|
| Trustees, Officers and Advisors | 1 |
| Report of the Trustees | 2 - 8 |
| Consolidated and Charity Balance Sheets..... | 9 |
| Consolidated Statement of Financial Activities | 10 |
| Charity Statement of Financial Activities..... | 11 |
| Consolidated Statement of Cash Flows | 12 |
| Notes to the Accounts..... | 13 - 25 |
| Independent Auditor's Report | 26 - 27 |

Marshall's Charity

Trustees, Officers and Advisors

TRUSTEES (are appointed by resolution of the remaining Trustees for a term of 5 years)

| | | | |
|---|---|--|-----------------|
| | z | Mr S Clark TD BSc FCIB Chartered FCSI(HON) | (Chairman) |
| + | # | [Mr A P Guthrie TD DL BSc FRICS | (Vice Chairman) |
| | | Mr C G Bird FCA (resigned 24 January 2019) | |
| | z | Mrs A Nicholson MA MPhil MRTPI | |
| | | Mrs G M F Isaac (resigned 18 March 2020) | |
| | # | [Mr W D Eason MA FCSI | |
| + | | Mr J A N Heawood MSc MRICS | |
| | λ | Ms S Malhotra-Trenkel MA | |
| + | | Revd J Rust BSc MA | |
| | # | λ Mrs L Bosman BSc ACA | |
| + | | Mr A Moss MA FRSA | |
| | | [Mr C E R Ledsam FCIS | |
| | λ | Miss E Lang BA ACIS | |
| + | z | Mr A Smallwood LLB LLM MRICS | |
| | + | Member of the Property Committee | |
| | # | Member of the Audit Committee | |
| | z | Member of the Trustee Selection Committee | |
| | [| Member of the Remuneration Committee | |
| | λ | Member of the Grants Committee | |

OFFICERS

Ms C M de Cintra BA ACA

Clerk to the Trustees

Mr J D Hutchings DipBS FCAbe FRICS

Surveyor

PRINCIPAL OFFICE

Marshall House, 66 Newcomen Street, London SE1 1YT

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Email: catherine@marshalls.org.uk

Web: www.marshalls.org.uk

BANKERS

Barclays Bank plc

CAF BANK

90/92 High Street

PO Box 289, West Malling,

Crawley, West Sussex RH10 1YX

Kent ME19 4TA

SOLICITORS

Cripps LLP

Wallside House, 12 Mount Ephraim Road

Tunbridge Wells, Kent TN1 1EG

STATUTORY AUDITOR

Haysmacintyre LLP

10 Queen St Place

London EC4R 1AG

INVESTMENT MANAGERS

CCLA

Schroder & Co. Limited

Senator House, 85 Queen Victoria Street

100 Wood Street,

London EC4V 4ET

London EC2V 7ER

Marshall's Charity

Trustees Report for 2019

1. OBJECTIVES AND ACTIVITIES

Purposes of the Charity

The Charity was formed in 1631 on the death of John Marshall, a baker in Southwark. In his Will, after making provision for his family and friends, he left the balance of his modest estate to trustees to be used for various charitable purposes. Although these have evolved slightly over the centuries, they are still primarily focused on *"the continuance and maytenance of the preaching of God's holy word in this Lande forever"*. Today, these purposes are:

- a) to support as Patrons the parish church of Christ Church, Southwark;
- b) to make grants for the support of parsonages to dioceses of the Church of England and the Church in Wales;
- c) to make restoration and repair grants to Anglican churches in the three counties of Kent, Surrey and Lincolnshire as those counties were defined in 1855; and
- d) 4% of the net income is made available to Marshall's Educational Foundation which makes grants for educational purposes in Stamford and Southwark.

The Charity is funded solely from this endowment.

Public Benefit

The objects and purposes of the Charity are set out in the first paragraph of this report. The trustees confirm that they have referred to the charity commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Activities

The affairs of the Charity are separated into two principal areas and this is reflected in the Statement of Financial Activities ("SOFA") on page 10. The two principal areas are investment management and grant making. These are explained in more detail below.

For many years, the Charity has shared its offices and costs with Newcomen Collett Foundation, another grant making charity. The income received from them and the costs incurred are similar and are shown separately in Notes 15 and 17 of the accounts.

A) Investment Management

As an Endowed Charity one of the primary tasks of the trustees is to manage the investment assets. The trustees have adopted a policy of prudent diversification in relation to the investments and as such hold the investments in both property and equity assets.

During 2016 the investment strategy was reviewed and the trustees agreed to reduce gradually the direct real estate portfolio and move the sale proceeds into a mix of property funds and mixed securities funds. One property was sold in 2018 and another in early 2019. However, given the uncertain economic climate and a further review of strategy, the trustees have agreed to continue to hold existing property for the time being.

➤ Property

Approximately 60% of the endowment is currently invested directly in property. The portfolio is diversified by size, location and class. Over recent years the property investment strategy has required the Charity to reduce its interests in secondary and tertiary retail and to increase its holdings in industrial and warehousing units, principally in Central England.

Over £1.5m is invested in a managed property fund. This enables the Charity to gain exposure to a different class of asset, increasing the diversification of the portfolio and the performance of the fund.

The Charity's property portfolio is overseen by the Property Committee and actively managed by the Surveyor.

➤ Securities

Approximately 40% of the endowment is invested in securities. The majority of these funds are divided between the Charity Multi-Asset Fund managed by Schroder & Co. Limited, the Witan Investment Trust and the CCLA COIF Charities Property Fund and COIF Charities Investment Fund. There are also smaller amounts placed in other investment funds.

Marshall's Charity

Trustees Report for 2019

B) Grant-making

There are four current major categories of benefit as set out in the opening paragraph of our Report. The Marshall's Charity Act 1855 also introduced provision for grants for building new churches. These were made particularly in the 19th Century and again in the 1930s. However, no grants have been made since 1993 and the trustees now believe that any grant made in this area would not be material to the overall cost of a new church and that their grants are more effectively directed to the other areas of benefit.

Each year, when approving the budget, the trustees first decide how much to make available for the costs associated with Christ Church, Southwark. Then, after making adequate provision for the grant to Marshall's Educational Foundation, the trustees decide how to split the available balance between grants for the support of parsonages and those for restoration of churches. In 2018 a pilot scheme was launched whereby the majority of the funds available were directed through the five dioceses that fall within the three historic counties set out in John Marshall's Will. These are the only areas where Marshall's is able to award grants for churches as well as parsonages. The aim of the trustees is to engage the senior leadership teams at the dioceses, so that they help identify the appropriate projects for applications. To this end Marshall's meets each of the five dioceses regularly. The trustees have also continued to supply grants to the other dioceses in England and Wales and this is done through those dioceses bidding for funds. In 2019 this policy resulted in approximately 45% of the money available being awarded to parsonages and 55% to churches. In 2018 the split was 58% to parsonages and 42% to churches.

The trustees extended the pilot scheme into 2020 but a review during the year concluded that the trustees are not comfortable with the level of delegation under that system, though they do not wish to give up involvement with the dioceses. A revised system is planned for 2021 onwards. Security grants will continue to be available to all dioceses.

➤ Christ Church

As stated in the Purposes of the Charity, the Charity holds the patronage of Christ Church Southwark. Christ Church is the first item in John Marshall's Will and as such the trustees regard supporting Christ Church as their primary responsibility. They exercise this duty by providing administrative and financial support to the church. The financial support includes meeting the stipend and pension costs of the Rector, and helping towards the employment costs of the church administrator and facilities manager. In addition, the Clerk and Surveyor provide administrative support and guidance as required.

➤ Marshalls Educational Foundation

John Marshall's Will provided for the university education of one young man from the Parish Grammar School in Southwark (now St Olave's & St Saviour's Grammar School in Orpington) or from Stamford School in Lincolnshire. The 1870 Education Act required the Charity to form a separate Foundation for administering these grants, and it was settled that 4% of the disposable income of Marshall's Charity would be paid to this Foundation annually.

Of the eleven governors of Marshall's Educational Foundation, up to nine are appointed by Marshall's Charity and the trustees are thus able to satisfy themselves that the affairs of the Foundation are efficiently administered. The Clerk of Marshall's Charity also administers the affairs of the Foundation. Currently four of the governors are also trustees of Marshall's Charity.

➤ Parsonages

As explained above, the five dioceses that fall within the three historic counties set out in John Marshall's Will, may direct grants towards parsonages. The other dioceses of the Church of England and the Church in Wales are able to bid for funds to support the repair and maintenance of parsonages within their diocese. These grants are approved by the trustees at their meetings in April, July and October. The Surveyor visits a number of parsonage departments each year to understand how they are operating, to discuss strategy and to see examples of how previous grants have been used.

Funds are also available to dioceses as security grants. Since the early 1990s the trustees have been aware of the increasing danger to which clergy and their families are subject in their homes. Following discussions with the diocesan parsonage departments, it was clear that installation of burglar alarms, entry-phone systems and, in more dangerous situations, CCTV security systems, was needed in a large number of properties. For the last 19 years the Charity has earmarked support to be available for such schemes and have particularly encouraged dioceses which have programmes for wide scale installation. Grants are available by request to the office and are awarded under the Clerk's discretion.

The Charity also provides a small amount of funding to allow a very effective website and two conferences per year to be provided to the Diocesan Surveyors' Group, which allows the diocesan surveyors to exchange views and information on technical issues. Marshall's Surveyor, John Hutchings, is their convenor and he has built up strong relationships with the diocesan property departments over the twenty-seven years he has been with the Charity.

Marshall's Charity

Trustees Report for 2019

➤ Churches

During 2019 Parochial Church Councils (PCCs) within the five dioceses described above could apply for church restoration grants with the support of their diocese. These applications were reviewed by the Grants Committee who shortlisted applications to proceed to the second stage of the process. The Surveyor visited the shortlisted churches. Grants were then agreed by the whole board of trustees at one of their meetings in April, July or October.

2. ACHIEVEMENTS AND PERFORMANCE

Achievements

2019 was a busy and successful year for the Charity. The property investments have performed well producing higher income than the previous year, which in turn outperformed previous years. The trustees are encouraged by its interaction with the five dioceses and with the quality of applications for parsonage and church grants received.

The various achievements are explored in more detail below.

A) Investment Management

➤ Property

2019 proved a more challenging year for holding direct property than the previous year. The number of vacancies in the portfolio has increased. However new tenants have been found and several properties now generate higher rents for new leases or from rent reviews. One property was sold during the year at a surplus.

➤ Securities

The year-end value of all the securities has increased from the start of the year, other than for the property fund, in line with general stock market performance. Dividends have increased compared to the previous year.

Investment Managers are required to produce a valuation and performance report at least quarterly. The performance of the Investment Managers is judged against the Charity's targets on a regular basis. The Trustees conduct a formal review of external Investment Managers every three years.

B) Grant making

The Trustees are confident that their grant making policies are enabling the Charity's funds to be used to the benefit of ministry and mission of the Anglican Church in England and Wales. Since John Marshall's death his Will has created grants worth over £73 million at current prices. The trustees are proud of this history and are reminded of the responsibility they have for the stewardship of the legacy.

The summary below shows the grants up to and including 31 December 2019:

| <i>Type of grant</i> | <i>Grants made</i> | <i>Grants made – at</i> | <i>Number of</i> |
|--------------------------------|--------------------|-------------------------|--------------------|
| | <i>£000s</i> | <i>current prices</i> | <i>grants made</i> |
| | | <i>£000s</i> | |
| Alarm systems | 656 | 893 | 1,248 |
| Other Parsonage grants | 15,183 | 43,642 | 7,735 |
| Total Parsonage grants | 15,839 | 44,535 | 8,983 |
| New Churches | 657 | 10,861 | 649 |
| Restoration of Churches | 8,021 | 17,630 | 3,626 |
| TOTAL | 24,517 | 73,026 | 13,258 |

In 2004 the Charity decided to transfer all its historic records to the safe-keeping of the London Metropolitan Archives, where they are both secure and available to the general public who may be interested.

A more detailed discussion of the achievements of the year follows.

Marshall's Charity

Trustees Report for 2019

➤ Christ Church

During the year the Reverend Jonathan Coore moved to become a member of the clergy team at St George's, Windsor Castle. The trustees worked with the Diocese of Southwark to recruit a replacement and were very pleased that the Reverend Ian Mobsby was inducted as Pioneer Interim Rector of Christ Church in December 2019. He, together with the PCC, is working on how best to serve the mission and ministry of the church given the number and scale of proposed developments in the immediate area and the intrusion from building works that has had an adverse effect on the parish. Marshall's is committed to working with the rector, the PCC and the diocese in moving forward with the development of the parish of Christ Church.

➤ Marshalls Educational Foundation

The achievements of MEF are detailed in the Annual Report of that Charity.

➤ Parsonages

In 2019 the Charity awarded £335,000 in grants which were used to support the repair and maintenance of 61 parsonages (2018 - £486,932 for 86 parsonages). Of this amount, £70,000 was awarded to parsonages within the "five dioceses" and £265,000 was awarded to parsonages in other dioceses in England and Wales. The Grants Committee met three times in 2019 and spent time scrutinising applications before shortlisting projects for the full board of trustees to approve. In addition, the Charity awarded £28,742 to fund security systems across 59 parsonages (2018 - £39,072 for 90 parsonages).

➤ Churches

As for 2018, applications for church restoration grants came with the support of one of the five dioceses of Canterbury, Guildford, Lincoln, Rochester and Southwark. These dioceses explained how the building projects came within their diocesan strategy and how they would benefit the mission and ministry of the church. During the year the Charity made 34 grants to churches (2018 - 28) with a value of £442,500 (2018 - £353,100).

3. FINANCIAL REVIEW

Review of Finances

The trustees had agreed a budget showing a deficit of £101,301 for 2019. However, income available for distribution by way of grants was £185,000 more than budget, primarily due to the performance of the property portfolio. For this reason and due to high demand, the trustees increased the amount of grants to parsonages by £100,000 more than budget. This has resulted in a deficit before realised investment gains and unrealised investment losses of £10,108. This deficit turns into a surplus of £797,053 after taking account of these realised and unrealised investment gains and losses.

Since 2008 the trustees have adopted conservative budgets resulting in accumulated income reserves of £684,573. The trustees have agreed another deficit budget for 2020.

Reserves Policy

At 31 December 2019 Marshall's Charity held the following funds:

| | |
|--------------------|--------------|
| Endowment Fund | £ 20,543,184 |
| Restricted Funds | £ 744,700 |
| Unrestricted Funds | £ 684,573 |

The reserves policy of Marshall's Charity focuses on the level of free reserves. This excludes endowed funds, restricted funds, designated funds and unrestricted funds which are not readily realisable.

Marshall's Charity seeks to maintain free reserves to manage the risks to which the Charity is exposed in the course of its business. These include an unexpected drop in investment income due to adverse economic conditions. The recommended level of free reserves is reviewed annually as part of the budget process and takes account of the current risks facing the Charity. The trustees consider that the level of free reserves for 2020 should be approximately £280,000.

At 31 December 2019 the level of free reserves was £684,573. The trustees have therefore agreed to continue to reduce the level of free reserves. This will be achieved by setting a deficit budget in 2020 and over the following few years.

Marshall's Charity

Trustees Report for 2019

Going Concern

Having reviewed the financial performance for the year, the budget for the year to 31 December 2020 and plans for future years, the trustees confirm that the financial statements for the year to 31 December 2019 can be prepared on the going concern basis.

Investment Policy

The trustees updated their Investment Policy in early 2020. Currently the trustees do not wish to impose any specific ethical investment policy; however potential investments are assessed to ensure congruence with the aims and ethos of the Charity.

Plans for the Future

The current purposes of the Charity on page 2 are derived from the expressed wishes of our Founder, John Marshall, and the trustees intend to continue to pursue these objectives whilst always seeking to apply them to the changing needs of the Church in England and Wales.

The trustees undertook a wide-ranging strategic review in 2016. In 2019 the Charity's strategy was further considered in the light of the pilot system for giving grants and economic and other conditions. In addition to refinements to the system for awarding grants, the trustees approved the decision to continue to hold existing property and to maintain staffing at current levels.

Risk

In 2013, the Clerk and the Audit Committee undertook an exercise to develop a new Risk Register which captures the key risks to the Charity. The Risk Register was adopted by the trustees and is reviewed quarterly by the trustees at their meetings. At each meeting the trustees review the major risks to which the Charity is exposed and ensure that systems exist to minimise the impact of any of the risks on its future effectiveness.

As at 31 December 2019 the four major risks facing the Charity were:

- Additional costs arising from property due to unforeseen risks. This is managed through ensuring that risks identified by the insurers are addressed. In addition, an advisor has been appointed to identify and manage asbestos as legally required.
- Significant loss of income due to adverse economic or political climate. The Charity is reliant on investment income to fund its running costs and grant-making activities. A significant loss of income would therefore have a major impact on the Charity's activities. This risk is managed through holding free reserves and the diversification of the investment portfolio. In addition, staff and trustees monitor economic and political trends.
- Significant loss of income through bad debts or extended vacancies. To mitigate this risk, the Charity actively manages debtors, draws up the rental income budget on a prudent basis and subscribes to potential tenant credit reports where appropriate.
- Significant reduction in the value of assets, loss of income and danger to staff due to the impact of the coronavirus Covid-19. The Charity has policies and procedures in place to safeguard staff, to monitor the impact on the Charity and to respond accordingly and thus evaluate its ability to award grants in the short and longer term.

4. STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Documents & Trustees

The Charity is governed under the terms of the Marshall's Charity Act 1855 as supplemented by subsequent Schemes of the Charity Commissioners. On 17th May 2017 the Charity Commission approved a Scheme to facilitate the system for awarding grants. The legal name of the Charity is the Charity of John Marshall, although it is known as Marshall's Charity. Its Charity Registration Number is 206780.

All trustees are members of the General Meeting of Trustees and are eligible for election to any Committee. Trustees are elected to serve for a five year period, and may be re-elected for subsequent five year periods. There are a maximum of 16 trustees, all of whom are required to be members of the Church of England.

There are currently five committees: Property Committee, Audit Committee, Remuneration Committee, Grants Committee and Trustee Selection Committee. No Committee has delegated power to act without the authority of the General Meeting of Trustees. The trustees have developed and approved formal terms of reference for all of these Committees.

Marshall's Charity

Trustees Report for 2019

Trustee Selection & Training

The Trustee Selection Committee meets as necessary to recommend appointments of suitable persons to fill trustee vacancies. The Committee, consists of the Chairman, one other senior trustee and a trustee who has served less than five years (see page 1). It considers all proposals, nominations, recommendations and applications for appointment and has the power to advertise for applicants. It also has full power and authority to interview or decline to interview applicants, to establish rules for the conduct of its own business and, subject to the known wishes of the main body of Trustees, to apply such criteria for appointment as it shall from time to time consider appropriate or desirable.

There were 13 trustees at the end of the year.

The Charity benefits from having many highly qualified and experienced trustees who are also active in other charities. In keeping with the need to maintain the highest levels of governance, the charity encourages all trustees to participate in training that is relevant and which will assist them in their roles. Through membership of the Charity Finance Group and also from professional advisors, various courses are available in many of the specialist areas that affect the Charity. The Charity has two experienced professional staff in the persons of the Clerk and the Surveyor, and the Charity ensures that both of them undertake appropriate continuing professional education relevant to their needs. Both of them ensure that the relevant knowledge gained in this training is passed on to the trustees.

Audit Committee

The Audit Committee, which currently consists of three trustees (see page 1), meets twice a year with the auditor, and with the Clerk to the Trustees in attendance. One of the meetings is concerned with the planning of the audit to be carried out and identifying any areas of special interest which the trustees wish to be examined by the auditor. The other meeting reviews the annual accounts and the outcome of the audit work. In the absence of the Clerk, the auditor also has the opportunity to report to the trustees in confidence on any issues that might have arisen in their work with the staff.

This committee also oversees the process of reviewing the Charity's policies.

Property Committee

The Property Committee currently consists of five trustees (see page 1) who work with the Surveyor in monitoring property portfolio issues and examining investment opportunities. The committee receives monthly reports from the Surveyor and meets regularly throughout the year to discuss activity and address issues. Members sometimes accompany the Surveyor on his visits to properties where they believe opportunities exist to increase the capital value of the investment.

Remuneration Committee

The principal function of the Remuneration Committee is to recommend to the General Meeting of Trustees any changes to staff salaries or terms and conditions they consider appropriate for the following year. The committee consists of three trustees (see page 1) and normally meets once a year. In view of the close working relationship, the committee may invite Newcomen Collett Foundation to nominate a representative to join them for their meeting, Mr Tim McNally, the Chairman of the Foundation, and Mr Amir Eden, Vice Chairman of the Foundation, joined them for the meeting in January 2020.

Remuneration Policy

The trustees are grateful for the commitment and enthusiasm of the Charity's staff. The trustees take the view that it is essential to attract and retain staff with the appropriate skills and capabilities, and reward them fairly for delivering the Charity's important work. In order to do this the Charity reviews its salaries on a regular basis and this is done through the Remuneration Committee. At its annual meeting the committee receives a report from the Clerk on staff issues and performance, and then considers sector and national pay rates and conditions, and levels of inflation, before preparing its recommendations to the trustees.

Grants Committee

The Grants Committee consists of three trustees, although meetings are open to all trustees. The committee is tasked with reviewing church restoration and support of parsonage grant applications and producing a shortlist of applications to proceed into the second stage of the application process.

Marshall's Charity

Trustees Report for 2019

Management

The day-to-day management of the affairs of the Charity is delegated to the Clerk and the Surveyor. The trustees believe that the operation of a Charity with assets and income of this scale requires the management of professionally trained staff with its necessary costs. They are immensely grateful to both the Clerk and the Surveyor for their continued dedication to the work of the Charity and to the Executive Officer for the able assistance she provides. The continual changes in legislation and regulation place a heavy burden on the Charity, and the trustees thank all the staff for their enthusiasm and commitment in dealing with the affairs of the Charity and supporting the trustees so efficiently.

Governance

As with the corporate world, the charity sector has recognised that good governance and transparency are key responsibilities in their relationship with the community they serve. Marshall's Charity seeks to ensure that it meets the highest standards in these areas consistent with the size of its operations and funds.

Detailed terms of reference are in place for the five committees referred to above. The Trustees rely greatly on the careful and thoughtful work undertaken by these committees, which allows the General Meetings to deal more effectively with the many issues which are its concern. The Charity has also reviewed its operation against the Charity Governance Code issued in July 2017. The audit committee carried out this review of the requirements of the Code and concluded that Marshall's follows the seven principles. The trustees agreed with the audit committee that the Code provides useful guidance but that adoption of the Code would result in disproportionate effort for minimal gain.

In order to communicate the work of the Charity to both its beneficiaries and the wider community, the Charity has a website www.marshalls.org.uk which is regularly updated. This includes a trustees' extranet which provides access to minutes of trustees' meetings and other confidential information relating to the management of the Charity. The extranet is password protected and is only accessible to the trustees and the staff of the Charity. Trustees have reported that they find this a very useful resource.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the 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 & 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Signed on behalf of the Trustees on 23 April 2020



.....
Chairman



.....
Trustee

Marshall's Charity

Consolidated and Charity Balance Sheets at 31st December 2019

| | Notes | Group | | Charity | |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Fixed Assets | 2 | 792,790 | 608,809 | 792,790 | 608,809 |
| Investments - General purposes | | | | | |
| Freeholds | 3 | 12,212,301 | 12,750,676 | 12,076,301 | 12,621,476 |
| Securities | 4 | 8,271,270 | 6,925,700 | 8,271,270 | 6,925,700 |
| Shares in subsidiary | 5 | - | - | 120,000 | 120,000 |
| Investments - Special purposes | 6 | 494,700 | 402,077 | 494,700 | 402,077 |
| | | 21,771,061 | 20,687,262 | 21,755,061 | 20,678,062 |
| Current Assets | | | | | |
| Debtors and prepayments | 7 | 136,076 | 119,423 | 140,220 | 119,423 |
| Loans to churches | 8 | - | - | - | - |
| Cash at bank and in hand | | 1,150,228 | 1,106,051 | 1,141,492 | 1,106,051 |
| | | 1,286,304 | 1,225,474 | 1,281,712 | 1,225,474 |
| Creditors: Amounts falling due within one year | 9 | (1,084,908) | (737,332) | (1,084,908) | (741,924) |
| Net Current Assets | | 201,396 | 488,142 | 196,804 | 483,550 |
| | | | | | |
| NET ASSETS | | 21,972,457 | 21,175,404 | 21,951,865 | 21,161,612 |
| FUNDS | | | | | |
| Unrestricted funds | 11 | 684,573 | 695,381 | 684,573 | 695,381 |
| Restricted funds | 10 | | | | |
| Other Restricted Funds | | 744,700 | 652,077 | 744,700 | 652,077 |
| Endowment Fund | 10 | 20,543,184 | 19,827,946 | 20,522,592 | 19,814,154 |
| TOTAL FUNDS | | 21,972,457 | 21,175,404 | 21,951,865 | 21,161,612 |

Approved by the Trustees and authorised for issue on 23 April 2020 and signed on their behalf:



Chairman



Trustee

The notes on pages 13 to 25 form part of these accounts.

Marshall's Charity

Consolidated Statement of Financial Activities for the year ended 31st December 2019

| | Notes | Unrestricted Funds | Restricted Funds | Endowment Funds | Total 2019 | Total 2018 |
|---|-------|--------------------|------------------|-------------------|-------------------|-------------------|
| | | £ | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS | | | | | | |
| <i>Investment income</i> | 14 | 1,341,513 | - | - | 1,341,513 | 1,256,340 |
| <i>Other trading activities</i> | 15 | 41,000 | - | - | 41,000 | 42,500 |
| Total income | | 1,382,513 | - | - | 1,382,513 | 1,298,840 |
| EXPENDITURE | | | | | | |
| Cost of raising funds | 18 | | | | | |
| <i>Property & investment costs</i> | | 357,444 | - | - | 357,444 | 273,116 |
| <i>Other costs</i> | | 44,110 | - | - | 44,110 | 44,835 |
| | | 401,554 | - | - | 401,554 | 317,951 |
| Charitable activities | 18 | | | | | |
| <i>Support of Parsonages grants</i> | | 408,795 | - | - | 408,795 | 550,720 |
| <i>Repair of Churches grants</i> | | 502,793 | - | - | 502,793 | 403,625 |
| <i>Christ Church, Southwark</i> | | 32,906 | - | - | 32,906 | 80,819 |
| <i>Marshall's Educational Foundation</i> | | 37,871 | - | - | 37,871 | 37,966 |
| <i>Stamford Lectureship</i> | | 8,702 | - | - | 8,702 | 7,840 |
| | | 991,067 | - | - | 991,067 | 1,080,970 |
| Total expenditure | | 1,392,621 | - | - | 1,392,621 | 1,398,921 |
| Net income/(expenditure) before gains and losses on investment | | (10,108) | - | - | (10,108) | (100,081) |
| Net recognized gains & losses on investments | | | | | | |
| <i>Property - realised</i> | | - | - | 13,408 | 13,408 | 650,256 |
| <i>Property - unrealised</i> | 3 | - | - | (233,739) | (233,739) | (233,500) |
| <i>Securities - realised</i> | | - | - | 26,559 | 26,559 | - |
| <i>Securities - unrealised</i> | 4, 6 | - | 91,923 | 909,010 | 1,000,933 | (498,219) |
| Net income/(expenditure) after gains and losses on investment | | (10,108) | 91,923 | 715,238 | 797,053 | (181,544) |
| <i>Transfers between funds</i> | | (700) | 700 | - | - | - |
| Net movement in funds | | (10,808) | 92,623 | 715,238 | 797,053 | (181,544) |
| <i>Reconciliation of funds:</i> | | | | | | |
| Total funds brought forward | | 695,381 | 652,077 | 19,827,946 | 21,175,404 | 21,356,948 |
| Total funds carried forward | | 684,573 | 744,700 | 20,543,184 | 21,972,457 | 21,175,404 |

All the above amounts relate to continuing activities and include all recognised gains and losses.

The notes on pages 13 to 25 form part of these accounts.

Marshall's Charity

Charity Statement of Financial Activities for the year ended 31st December 2019

| | Notes | Unrestricted Funds | Restricted Funds | Endowment Funds | Total 2019 | Total 2018 |
|---|-------|--------------------|------------------|-------------------|-------------------|-------------------|
| | | £ | £ | £ | £ | £ |
| INCOME AND ENDOWMENTS | | | | | | |
| <i>Investment income</i> | 14 | 1,341,513 | - | - | 1,341,513 | 1,256,340 |
| <i>Other trading activities</i> | 15 | 41,000 | - | - | 41,000 | 42,500 |
| Total income | | 1,382,513 | - | - | 1,382,513 | 1,298,840 |
| EXPENDITURE | | | | | | |
| Cost of raising funds | 18 | | | | | |
| <i>Property & investment costs</i> | | 357,444 | - | - | 357,444 | 273,116 |
| <i>Other costs</i> | | 44,110 | - | - | 44,110 | 44,835 |
| | | 401,554 | - | - | 401,554 | 317,951 |
| Charitable activities | 18 | | | | | |
| <i>Support of Parsonages grants</i> | | 408,795 | - | - | 408,795 | 550,720 |
| <i>Repair of Churches grants</i> | | 502,793 | - | - | 502,793 | 403,625 |
| <i>Christ Church, Southwark</i> | | 32,906 | - | - | 32,906 | 80,819 |
| <i>Marshall's Educational Foundation</i> | | 37,871 | - | - | 37,871 | 37,966 |
| <i>Stamford Lectureship</i> | | 8,702 | - | - | 8,702 | 7,840 |
| | | 991,067 | - | - | 991,067 | 1,080,970 |
| Total expenditure | | 1,392,621 | - | - | 1,392,621 | 1,398,921 |
| Net income/(expenditure) before gains and losses on investment | | (10,108) | - | - | (10,108) | (100,081) |
| Net recognized gains and losses on investments | | | | | | |
| <i>Property - realised</i> | | - | - | 13,408 | 13,408 | 650,256 |
| <i>Property - unrealised</i> | 3 | - | - | (240,539) | (240,539) | (233,500) |
| <i>Securities - realised</i> | | - | - | 26,559 | 26,559 | - |
| <i>Securities - unrealised</i> | 4, 6 | - | 91,923 | 909,010 | 1,000,933 | (498,219) |
| Net income/(expenditure) after gains and losses on investment | | (10,108) | 91,923 | 708,438 | 790,253 | (181,544) |
| <i>Transfers between funds</i> | | (700) | 700 | - | - | - |
| Net movement in funds | | (10,808) | 92,623 | 708,438 | 790,253 | (181,544) |
| <i>Reconciliation of funds:</i> | | | | | | |
| Total funds brought forward | | 695,381 | 652,077 | 19,814,154 | 21,161,612 | 21,343,156 |
| Total funds carried forward | | 684,573 | 744,700 | 20,522,592 | 21,951,865 | 21,161,612 |

All the above amounts relate to continuing activities and include all recognised gains and losses.

The notes on pages 13 to 25 form part of these accounts.

Marshall's Charity

Consolidated Statement of Cash Flows for the year ending 31st December 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-------------|-------------|
| Cash flows from operating activities: | | | |
| Net cash provided by (used in) operating activities | 21 | (1,013,056) | (957,131) |
| Cash flows from investing activities: | | | |
| <i>Dividends, interest and rents from investments</i> | | 1,341,513 | 1,256,340 |
| <i>Proceeds from the sale of property</i> | | 411,658 | 1,490,254 |
| <i>Additions to property and purchase of equipment</i> | | (285,237) | - |
| <i>Proceeds from sale of investments</i> | | 1,438,724 | 250,000 |
| <i>Purchase of investments</i> | | (1,849,425) | (1,752,447) |
| Net cash provided by (used in) investing activities | | 1,057,233 | 1,244,147 |
| Change in cash and cash equivalents in the reporting period | | 44,177 | 287,016 |
| Cash and cash equivalents at the beginning of the reporting period | | 1,106,051 | 819,035 |
| Cash and cash equivalents at the end of the reporting period | | 1,150,228 | 1,106,051 |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019

1. Accounting Policies

- a The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011.
- b The charity constitutes a public benefit entity as defined by FRS102.
- c The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity has considered the effect on its investment income and the consequential need for adjustments to the grants it awards. The Charity holds a high level of cash reserves and is able to control the value of future grants awarded. Thus, through appropriate consideration of risks as part of normal risk management processes and mitigating actions both already taken and available to be taken, trustees consider it appropriate for the going concern basis to be adopted for these accounts.
- d All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Rental income is credited when receivable. Security income is credited on an accruals basis.
- e Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Repairs and renewals to property are charged to the Statement of Financial Activities when incurred. Grants are treated as expenditure when authorised by the Trustees and communicated to the beneficiaries, not when the grants are paid. Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.
- f Staff pension contributions are made under a defined contributions scheme, and the funds are held by fully independent insurance companies. No liability exists under the scheme except for the amount of the contributions charged in the year.
- g Irrecoverable VAT is charged against the expenditure heading for which it was incurred.
- h All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads (except Audit costs, which have been charged to Governance), have then been allocated between the categories on the basis of the total staff costs.
- i All assets costing more than £1,000 are capitalised and valued at historical cost. Equipment and office furniture is depreciated so as to write items off over their expected useful lives at a rate of 10% per annum on a straight line basis, except for the computer system which is depreciated so as to write it off over three years. The trustees consider the residual value of Marshall House to be higher than its carrying value in the accounts resulting in a nil value for depreciation charge.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

1. Accounting Policies (continued)

- j All securities (general purposes) are shown at bid-market value and properties are valued at open market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.
- k Funds required by the Charity Commissioners (for sinking or other capital purposes) are invested in the Charities Official Investment Fund (COIF) and the Equities Investment Fund for Charities. The managers do not publish details of income accumulations and therefore securities are shown at market value and the funds are adjusted appropriately.
- l The Charity has a single permanent endowment. The trustees have the powers to invest the capital in perpetuity and apply the income to the general purposes of the Charity, namely to provide church and parsonage grants. Further details of the endowed, restricted and unrestricted funds are disclosed in note 11.
- m In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and valuation of properties and are discussed above.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

- n Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

2. Tangible Fixed Assets - Group and Charity

| | ENDOWMENT FUNDS | | | |
|--------------------------|---------------------|----------------------------|-------------------------|------------|
| | Marshall House £ | Furniture & Equipment £ | Computer Equipment £ | Total £ |
| Cost or valuation | | | | |
| At 1st January 2019 | 600,000 | 18,289 | 49,782 | 668,071 |
| Additions at cost | 188,812 | - | 2,811 | 191,623 |
| At 31st December 2019 | 788,812 | 18,289 | 52,593 | 859,694 |
| Depreciation | | | | |
| At 1st January 2019 | - | 15,131 | 44,131 | 59,262 |
| Charge for the year | - | 1,055 | 6,587 | 7,642 |
| At 31st December 2019 | - | 16,186 | 50,718 | 66,904 |
| Net Book Value | | | | |
| At 31st December 2019 | 788,812 | 2,103 | 1,875 | 792,790 |
| At 31st December 2018 | 600,000 | 3,158 | 5,651 | 608,809 |

Notes:

- Christ Church, Southwark was built and is maintained by the Charity in accordance with the will of John Marshall. The Trustees fully maintain the church on the basis of regular inspections, and do not consider that any useful purpose would be served by valuing the land and buildings. The Trustees have therefore decided to carry the Church at nil valuation.
- The second floor and part of the first floor of Marshall House, Southwark are the offices of the Charity. This property is included in the accounts at a value of £788,812.
- All tangible fixed assets are used for charitable purposes.

3. Freeholds - Group and Charity

| | ENDOWMENT FUNDS | | | |
|---------------------------------------|-----------------|------------|------------|------------|
| | Group | | Charity | |
| | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Opening balance at 1st January 2019 | 12,750,676 | 13,824,176 | 12,621,476 | 13,694,976 |
| Additions during the year | 93,614 | - | 93,614 | - |
| Disposals during the year | (398,250) | (840,000) | (398,250) | (840,000) |
| Revaluation of properties at year end | (233,739) | (233,500) | (240,539) | (233,500) |
| Closing balance at 31st December 2019 | 12,212,301 | 12,750,676 | 12,076,301 | 12,621,476 |

- The cost of the Charity's freehold properties at 31st December 2019 was £4,442,177 (2018 - £4,726,196). The cost of the Group freehold properties at 31st December 2019 was £4,557,585 (2018 - £4,841,604).
- The property portfolio is valued annually by the Charity's Chartered Surveyor, Mr J D Hutchings, DipBS FCAbe FRICS. The valuation is on the basis of open-market value.
- All freehold properties are situated in the United Kingdom.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

4. Securities - Group and Charity

| | ENDOWMENT FUNDS | |
|---|------------------|------------------|
| | Total 2019 | Total 2018 |
| | £ | £ |
| Market value at 1st January 2019 | 6,925,700 | 5,886,638 |
| Investment in CCLA Investment Fund accumulation units | - | 1,501,760 |
| Sale of CCLA Investment Fund accumulation units | (1,412,165) | - |
| Investment in CCLA Investment Fund income units | 1,848,725 | - |
| Investment in Witan shares | - | 249,989 |
| Sale of Cazenove Charity Multi Asset Fund | - | (250,000) |
| Net (loss)/gains on revaluations during year | 909,010 | (462,687) |
| Market value at 31st December 2019 | 8,271,270 | 6,925,700 |
| Historical cost at 31st December 2019 | 5,990,421 | 5,990,421 |

Analysis of securities and securities income

UK Investment Funds

| Income | | Investments | |
|----------------|----------------|------------------|------------------|
| 2019 | 2018 | 2019 | 2018 |
| £ | £ | £ | £ |
| 229,840 | 175,384 | 8,271,270 | 6,925,700 |

5. Investment in subsidiary company - Charity

In 2008, the Charity formed Marshalls (New River House) Limited, a company registered in England and Wales. The Charity owns the entire issued share capital of £120,000. The company acquired a freehold ground rent in Salford. All activities are consolidated on a line by line basis in the Statement of Financial Activities.

The results of the subsidiary for the year ended 31 December 2019 are:

| | ENDOWMENT FUNDS | |
|---|-----------------|----------------|
| | 2019 | 2018 |
| | £ | £ |
| Income | | |
| Incoming resources and net surplus for the period - rental income | 4,144 | 3,400 |
| Less: Payment to be made under Gift Aid to Marshall's Charity | (4,144) | (3,400) |
| | - | - |
| Assets | 140,592 | 133,792 |
| Funds | | |
| Share Capital | 120,000 | 120,000 |
| Revaluation reserve | 20,592 | 13,792 |
| | 140,592 | 133,792 |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

6. Investments - Special Purposes - Group & Charity

| RESTRICTED FUNDS | |
|---|----------------|
| 2019 | 2018 |
| £ | £ |
| Charities Official Investment Fund, Accumulation shares | 42,175 |
| Equities Investment Fund for Charities, Accumulation shares | 34,587 |
| | 452,525 |
| | 367,490 |
| | 494,700 |
| | 402,077 |
| 2019 | 2018 |
| £ | £ |
| Movement during the year | |
| Market value at 1 January 2019 | 402,077 |
| Acquisitions at cost | 700 |
| Net (loss)/gain on revaluation during the year | 91,923 |
| Market value at 31 December 2019 | (35,532) |
| | 494,700 |
| | 402,077 |
| 2019 | 2018 |
| £ | £ |
| Investments represent the following funds: | |
| Funds for accumulation of income for capital purposes | 137,271 |
| Christ Church Extraordinary Repair Fund | 111,454 |
| | 357,429 |
| | 290,623 |
| | 494,700 |
| | 402,077 |

Following the direction of the Charity Commission the Charity had established a sinking fund in 1988. The fund was for the accumulation of income to replace earlier capital expenditure. The Order expired in November 2015 and the value of the investment holding at that date was transferred to Investments - General Purposes.

7. Debtors and prepayments - Group & Charity

| UNRESTRICTED FUNDS | | | |
|-----------------------------------|----------------|----------------|----------------|
| Group | | Charity | |
| 2019 | 2018 | 2019 | 2018 |
| £ | £ | £ | £ |
| Rents due from tenants and agents | 112,582 | 112,582 | 119,210 |
| Gift Aid due from subsidiary | - | 4,144 | - |
| Other debtors | 23,494 | 23,494 | 213 |
| | 136,076 | 140,220 | 119,423 |

8. Loans to Churches - Group & Charity

| UNRESTRICTED FUNDS | |
|---|----------------|
| 2019 | 2018 |
| £ | £ |
| Amounts set aside at the balance sheet date to make loans to churches at an interest rate of 3% | |
| | 250,000 |
| Offers of loans made but not taken up at 31 December 2019 | - |
| Loans outstanding at 1st January 2019 | - |
| Loans advanced during the year | - |
| Repayments received during the year | - |
| Loans outstanding at 31st December 2019 | - |
| Interest received in the year | - |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

9. Creditors

| | UNRESTRICTED FUNDS | | | |
|---|--------------------|----------------|------------------|----------------|
| | Group | | Charity | |
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Grants approved but unpaid | 861,771 | 542,040 | 861,771 | 542,040 |
| Marshall's (New River House) Limited | - | - | - | 4,592 |
| Service charges on managed properties held for future repairs | 44,105 | 29,676 | 44,105 | 29,676 |
| Rent deposits held for tenants (see below) | 104,958 | 86,039 | 104,958 | 86,039 |
| Value added tax payable | 17,556 | 38,160 | 17,556 | 38,160 |
| Other creditors and accruals | 56,518 | 41,417 | 56,518 | 41,417 |
| | 1,084,908 | 737,332 | 1,084,908 | 741,924 |

Rent deposits held for tenants

These represent the liability for rent deposits of tenants held for various future periods. The compensating deposits, in the name of the Charity, are included in Cash at bank and in hand.

10. Restricted Funds - Group

| | Balance 1.1.19 | Transfers | Other Gains and Losses | Balance 31.12.19 |
|--|-------------------|------------|------------------------------|---------------------|
| | £ | £ | £ | £ |
| Endowment Fund | 19,827,946 | - | 715,238 | 20,543,184 |
| Funds for Accumulation of Income for Capital Purposes | 111,454 | 700 | 25,117 | 137,271 |
| Development Fund | 250,000 | - | - | 250,000 |
| Christ Church Extraordinary Repair Fund | 290,623 | - | 66,806 | 357,429 |
| Total Other Restricted Funds | 652,077 | 700 | 91,923 | 744,700 |
| Total Restricted Funds | 20,480,023 | 700 | 807,161 | 21,287,884 |

Other Restricted Funds were set up following Charity Commission Order for the following purposes:

a) Funds for Accumulation of Income for Capital Purposes

Under the terms of a Charity Commission Order income is used to recoup capital monies expended on freehold property improvements and a leasehold interest in an investment property.

b) Development Fund

An annual transfer from income of £25,000 is allowed, and the fund may be applied for the purchase of land or the development and improvement of the property of the Charity.

c) Christ Church Extraordinary Repair Fund

Transfers may be made to this fund from income and the fund may be used for the repair, improvement or rebuilding of Christ Church, Southwark. The Trustees have not made any transfers since 2008.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

11. Analysis of Net Assets between Funds - Group

| 2019 | | | | |
|--|---|------------------------------------|---|-------------------|
| | Fixed Assets & Investments Gen.Purposes | Investments Special Purposes | Net Current Assets/ (Liabilities) | Total |
| | £ | £ | £ | £ |
| Endowed Funds | 21,026,361 | - | (483,177) | 20,543,184 |
| | 21,026,361 | - | (483,177) | 20,543,184 |
| Restricted Funds | | | | |
| Development Fund | 250,000 | - | - | 250,000 |
| Funds for Accumulation of Income for Capital Purposes | - | 137,271 | - | 137,271 |
| Christ Church Extraordinary Repair Fund | - | 357,429 | - | 357,429 |
| | 250,000 | 494,700 | - | 744,700 |
| Unrestricted Funds | | | | |
| Unallocated Income Marshall's Charity | - | - | 684,573 | 684,573 |
| | 21,276,361 | 494,700 | 201,396 | 21,972,457 |

| 2018 | | | | |
|--|---|------------------------------------|---|-------------------|
| | Fixed Assets & Investments Gen.Purposes | Investments Special Purposes | Net Current Assets/ (Liabilities) | Total |
| | £ | £ | £ | £ |
| Endowed Funds | 20,035,185 | - | (207,239) | 19,827,946 |
| | 20,035,185 | - | (207,239) | 19,827,946 |
| Restricted Funds | | | | |
| Development Fund | 250,000 | - | - | 250,000 |
| Funds for Accumulation of Income for Capital Purposes | - | 111,454 | - | 111,454 |
| Christ Church Extraordinary Repair Fund | - | 290,623 | - | 290,623 |
| | 250,000 | 402,077 | - | 652,077 |
| Unrestricted Funds | | | | |
| Unallocated Income Marshall's Charity | - | - | 695,381 | 695,381 |
| | 20,285,185 | 402,077 | 488,142 | 21,175,404 |

12. Auditor's remuneration

The auditor's remuneration constituted an audit fee of £9,250 (2018 - £8,650).

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

13. Analysis of staff costs and remuneration of key management personnel

| | 2019 | 2018 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Salaries and assessable benefits | 151,573 | 149,250 |
| Social security costs | 11,937 | 14,139 |
| Other pension contributions | 39,839 | 35,097 |
| | 203,349 | 198,486 |

Average number of staff (including full-time and part-time staff)

| | | |
|----------------------------|----------|----------|
| Clerk | 1 | 1 |
| Surveyor | 1 | 1 |
| Other administrative staff | 1 | 1 |
| | 3 | 3 |

In 2019, one employee received remuneration in the band £60,000 - £70,000 (2018 - 1).

The average number of employees during the year was 3 (2018 - 3). All employee time involves providing support to the governance of the charity, investment management or support services to charitable activities.

The Charity considers its key management personnel comprise the trustees, the Clerk and the Surveyor. The total employment benefits including employer pension contributions of the key management personnel were £157,179 (2018 - £152,999).

No Trustee receives any remuneration from the Charity, nor were any expenses re-imbursed to Trustees by payment to a third party (2018 - none). Trustees were not involved in any other transaction with the Charity or any related party (2018 - none).

14. Investment income

| | Group | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| UK Property rental income | 1,086,382 | 1,066,972 | 1,082,238 | 1,063,572 |
| UK Dividends & interest on securities | 229,840 | 175,384 | 229,840 | 175,384 |
| Other interest | 2,924 | 2,100 | 2,924 | 2,100 |
| Gift Aid payment from Marshalls (NRH) Limited | - | - | 4,144 | 3,400 |
| Building insurance commission | - | - | - | - |
| Other income | 22,367 | 11,884 | 22,367 | 11,884 |
| | 1,341,513 | 1,256,340 | 1,341,513 | 1,256,340 |

In 2019 the investment income was all attributable to unrestricted funds.

15. Activities for raising funds - Group

| | 2019 | 2018 |
|--|--------|--------|
| | £ | £ |
| Co-administration charge - Newcomen Collett Foundation | 41,000 | 42,500 |

Newcomen Collett Foundation ("NCF"), a charity providing grants to young people in the London Borough of Southwark, is also based in the offices of Marshall's Charity. All the administrative costs of both charities are paid by Marshall's Charity, in return for which NCF pays an agreed annual co-administration charge.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

16. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between Governance and other support costs is shown below:

| Cost type | 2019 | | | Basis of Apportionment |
|--------------------------|--------------------|---------------------|---------|------------------------|
| | Governance related | Other support costs | TOTAL | |
| | £ | £ | £ | |
| Staff costs | 6,649 | 189,975 | 196,624 | Staff time |
| Office costs & overheads | - | 124,016 | 124,016 | Staff time |
| | 6,649 | 313,991 | 320,640 | |

| Cost type | 2018 | | | Basis of Apportionment |
|--------------------------|--------------------|---------------------|---------|------------------------|
| | Governance related | Other support costs | TOTAL | |
| | £ | £ | £ | |
| Staff costs | 6,654 | 185,108 | 191,762 | Staff time |
| Office costs & overheads | - | 131,158 | 131,158 | Staff time |
| | 6,654 | 316,266 | 322,920 | |

All staff support costs have been allocated on the estimated basis of time spent on those categories. All other overheads (except audit costs, which have been charged to Governance) have been allocated between the categories on the basis of the total staff costs.

17. Allocation of governance and other support costs

| | 2019 | 2018 |
|--|---------|---------|
| | £ | £ |
| Investment Management fees | 166,432 | 167,639 |
| Newcomen Collett support costs | 44,110 | 44,835 |
| Support of Parsonage grants (see note 18) | 46,768 | 46,966 |
| Restoration of Churches grants (see note 18) | 60,293 | 60,382 |
| Marshall's Educational Foundation | 3,037 | 3,098 |
| | 320,640 | 322,920 |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

18. Expenditure

| | 2019 | | |
|---|------------------|------------------------------|------------------|
| | Direct costs | Support and governance costs | TOTAL |
| | £ | £ | £ |
| Cost of raising funds | | | |
| <i>Investment Management fees</i> | - | 166,432 | 166,432 |
| <i>Direct property costs</i> | 191,012 | - | 191,012 |
| | 191,012 | 166,432 | 357,444 |
| <i>Newcomen Collett support costs (see Note 15)</i> | - | 44,110 | 44,110 |
| | 191,012 | 210,542 | 401,554 |
| Charitable activities | | | |
| <i>Support of Parsonage grants (see note 24)</i> | 362,027 | 46,768 | 408,795 |
| <i>Restoration of Churches grants (see note 23)</i> | 442,500 | 60,293 | 502,793 |
| <i>Christ Church, Southwark</i> | 32,906 | - | 32,906 |
| <i>Marshall's Educational Foundation</i> | 34,834 | 3,037 | 37,871 |
| <i>All Saint's Church, Stamford</i> | 8,702 | - | 8,702 |
| | 880,969 | 110,098 | 991,067 |
| | 1,071,981 | 320,640 | 1,392,621 |

| | 2018 | | |
|---|------------------|------------------------------|------------------|
| | Direct costs | Support and governance costs | TOTAL |
| | £ | £ | £ |
| Cost of raising funds | | | |
| <i>Investment Management fees</i> | - | 167,639 | 167,639 |
| <i>Direct property costs</i> | 105,477 | - | 105,477 |
| | 105,477 | 167,639 | 273,116 |
| <i>Newcomen Collett support costs (see Note 15)</i> | - | 44,835 | 44,835 |
| | 105,477 | 212,474 | 317,951 |
| Charitable activities | | | |
| <i>Support of Parsonage grants (see note 22)</i> | 503,754 | 46,966 | 550,720 |
| <i>Restoration of Churches grants (see note 21)</i> | 343,243 | 60,382 | 403,625 |
| <i>Christ Church, Southwark</i> | 80,819 | - | 80,819 |
| <i>Marshall's Educational Foundation</i> | 34,868 | 3,098 | 37,966 |
| <i>Stamford Lectureship</i> | 7,840 | - | 7,840 |
| | 970,524 | 110,446 | 1,080,970 |
| | 1,076,001 | 322,920 | 1,398,921 |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

19. Operating Lease Payments

At 31 December 2019 the Charity has non-cancellable operating leases as follows:

Plant & Equipment

Payable in one year

Payable in the second to fifth years

| 2019 | 2018 |
|--------------|---------------|
| £ | £ |
| 4,401 | 6,951 |
| 1,233 | 5,635 |
| 5,634 | 12,586 |

20. Operating Lease Receipts

At 31 December 2019 the Charity has non-cancellable operating lease income as follows:

Lease rental income

Receivable in one year

Receivable in the second to fifth years

Receivable after 5 years

| 2019 | 2018 |
|------------------|------------------|
| £ | £ |
| 693,666 | 692,668 |
| 1,452,696 | 1,324,474 |
| 324,162 | 225,704 |
| 2,470,524 | 2,242,846 |

21. Reconciliation of net movement in funds to net cash from operating activities

Net income/(expenditure) for the reporting period (as per the statement of financial activities)

Depreciation charges

Losses/(gains) on investments

Dividends, interest and rents from investments

(Increase)/Decrease in debtors

Increase in creditors

Net cash provided by (used in) operating activities

| 2019 | 2018 |
|--------------------|------------------|
| £ | £ |
| 797,053 | (181,544) |
| 7,642 | 6,719 |
| (807,161) | 81,463 |
| (1,341,513) | (1,256,340) |
| (16,653) | 51,674 |
| 347,576 | 340,897 |
| (1,013,056) | (957,131) |

22. Post balance sheet events

Global stock markets have reacted to the advent of the coronavirus (Covid-19). The value of the Charity's investments is currently at a level of between 10% and 20% below the values at 31st December 2019, the balance sheet date. It is not known what the full impact of the pandemic will be, or the course that it will take. However, the investments are held for the long term and do not need to be sold at current values. The trustees continue to monitor the investments in line with the investment policy. Reports from investment managers, valuations and investment income are regularly reviewed.

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

23. CHURCH GRANTS

| 2019 | | | 2018 | |
|--|------------|----------------|--------------------------------------|----------------|
| Church | Diocese | £ | | £ |
| St Luke, Woodside | Southwark | 20,000 | St Nicholas, Ulceby | 10,000 |
| St Mary, Sittingbourne | Canterbury | 100,000 | St James Bermondsey | 20,000 |
| St Denis, Silk Willoughby | Lincoln | 10,000 | St Augustine's Grimsby | 14,000 |
| St Andrew, Ewerby | Lincoln | 5,000 | Christ Church, Surbiton | 20,000 |
| All Saints, Legbourne | Lincoln | 10,000 | St James, Shere | 10,000 |
| SS Peter & Paul, Cherry Willingham | Lincoln | 10,000 | St Mary the Virgin, Holmbury St Mary | 5,000 |
| St Barnabas, Downham | Southwark | 10,000 | St Andrew's Church, Utterby | 8,668 |
| St Alban the Martyr, South Norwood | Southwark | 18,125 | Holy Trinity, Aldershot | 10,000 |
| Church of the Cross, Thamesmead | Southwark | 18,125 | Crowle, St Oswald | 10,000 |
| St Luke's, Downham | Southwark | 18,125 | Christ Church, Guildford | 10,000 |
| St Marks Church Mitcham | Southwark | 18,125 | All Saints Church, Grayswood | 10,000 |
| St Werburgh | Rochester | 10,000 | St Helen's Church, Stickford | 10,000 |
| Christ Church Erith | Rochester | 20,000 | St Helen, North Thoresby | 10,000 |
| Holy Trinity Larkfield PCC | Rochester | 20,000 | St John the Evangelist | 10,000 |
| St Augustine's Church, Gillingham | Rochester | 10,500 | Holy Redeemer Streatham | 16,250 |
| All Saints, Belvedere | Rochester | 7,000 | St John Chrysostom | 20,000 |
| All Saints Church Allhallows | Rochester | 10,000 | St Michael & All Angels | 16,250 |
| St Helen's | Rochester | 10,000 | St Francis of Assisi | 20,000 |
| St Thomas of Canterbury | Lincoln | 5,000 | The Holy Redeemer | 20,000 |
| St Swithun's Bicker | Lincoln | 5,000 | Christ Church | 4,832 |
| St Andrew & St Mary | Lincoln | 5,000 | St Francis, Strood | 20,000 |
| All Saints, North Scarle | Lincoln | 5,000 | Long Sutton, St Mary | 10,000 |
| St Mary & All Saints Church, Sleaford | Lincoln | 7,500 | St John the Evangelist | 20,000 |
| St Andrew the Apostle | Lincoln | 10,000 | St Saviour's Church | 8,880 |
| All Saints, Nettleham | Lincoln | 5,000 | St Swithun | 10,000 |
| All Saints, Hough on the Hill | Lincoln | 7,500 | St Peter & St Paul | 7,500 |
| All Saints, Eagle | Lincoln | 5,000 | St Michael's, Sittingbourne | 13,000 |
| All Saints, Friskney | Lincoln | 7,500 | St James Church, Elstead | 8,720 |
| St Peter and St Paul, Gosberton | Lincoln | 5,000 | | |
| All Saints, West Ewell | Guildford | 10,000 | | |
| St Nicholas' Thames Ditton | Guildford | 10,000 | | |
| St John the Evangelist Church, North Farnham | Guildford | 10,000 | | |
| St. Margaret's Church, Ockley | Guildford | 10,000 | | |
| St Peter & St Paul's Godalming | Guildford | 10,000 | | |
| | | 442,500 | | 353,100 |
| | | | Cancellations | (9,857) |
| | | 442,500 | Total Prior Year Grants | 343,243 |

Marshall's Charity

Notes to the Accounts for the year ended 31st December 2019 (continued)

24. PARSONAGE GRANTS

| Diocese | 2019 | | | 2018 | | |
|----------------------|----------------|---------------|----------------|----------------|---------------|----------------|
| | Parsonage | Security | Total | Parsonage | Security | Total |
| Bangor | 18,000 | - | 18,000 | - | - | - |
| Bath & Wells | 10,000 | 250 | 10,250 | - | - | - |
| Birmingham | 10,000 | - | 10,000 | - | - | - |
| Blackburn | 20,000 | 3,890 | 23,890 | 15,000 | 5,000 | 20,000 |
| Bristol | 10,000 | 250 | 10,250 | 20,000 | 750 | 20,750 |
| Canterbury | 2,500 | 250 | 2,750 | 89,500 | 1,648 | 91,148 |
| Chelmsford | - | - | - | 10,000 | 750 | 10,750 |
| Chester | 20,000 | - | 20,000 | 7,000 | - | 7,000 |
| Chichester | - | - | - | 30,000 | 250 | 30,250 |
| Coventry | 10,000 | - | 10,000 | - | - | - |
| Derby | - | 250 | 250 | - | 1,926 | 1,926 |
| Durham | - | 1,509 | 1,509 | - | 250 | 250 |
| Ely | 15,000 | 500 | 15,500 | 20,000 | - | 20,000 |
| Exeter | 8,000 | - | 8,000 | 15,000 | - | 15,000 |
| Gloucester | - | 1,608 | 1,608 | - | 1,750 | 1,750 |
| Guildford | 52,500 | - | 52,500 | 39,900 | - | 39,900 |
| Hereford | 10,000 | - | 10,000 | 10,000 | 1,002 | 11,002 |
| Leeds | - | - | - | 18,000 | 250 | 18,250 |
| Leicester | 10,000 | - | 10,000 | 32,000 | - | 32,000 |
| Lichfield | - | 500 | 500 | - | 1,250 | 1,250 |
| Lincoln | - | 2,750 | 2,750 | 15,000 | 1,964 | 16,964 |
| Liverpool | 7,000 | 2,800 | 9,800 | - | 3,000 | 3,000 |
| Llandaff | 8,000 | 2,162 | 10,162 | - | 1,448 | 1,448 |
| London | - | 540 | 540 | - | - | - |
| Monmouth | - | 1,350 | 1,350 | 15,000 | - | 15,000 |
| Newcastle | - | - | - | - | 2,000 | 2,000 |
| Norwich | 20,000 | - | 20,000 | - | - | - |
| Peterborough | - | 1,166 | 1,166 | 8,500 | - | 8,500 |
| Portsmouth | 7,000 | 250 | 7,250 | 25,000 | 770 | 25,770 |
| Rochester | 15,000 | 1,557 | 16,557 | 15,000 | 1,250 | 16,250 |
| Salisbury | 25,000 | - | 25,000 | 15,000 | - | 15,000 |
| Sheffield | - | 650 | 650 | - | 1,000 | 1,000 |
| Sodor & Man | 15,000 | - | 15,000 | - | - | - |
| Southwark | - | - | - | - | 500 | 500 |
| Southwell | - | 3,120 | 3,120 | 15,000 | 2,745 | 17,745 |
| St Asaph | 17,000 | - | 17,000 | - | 650 | 650 |
| St Davids | - | - | - | 20,000 | - | 20,000 |
| St Eds & Ipswich | 20,000 | - | 20,000 | 30,000 | - | 30,000 |
| Swansea | - | 500 | 500 | - | 1,475 | 1,475 |
| Truro | 5,000 | - | 5,000 | 10,000 | - | 10,000 |
| Winchester | - | - | - | 7,032 | - | 7,032 |
| Worcester | - | 1,750 | 1,750 | - | 2,765 | 2,765 |
| York | - | 1,140 | 1,140 | 5,000 | 4,679 | 9,679 |
| | 335,000 | 28,742 | 363,742 | 486,932 | 39,072 | 526,004 |
| <i>Cancellations</i> | - | (1,715) | (1,715) | (20,000) | (2,250) | (22,250) |
| Total Grants | 335,000 | 27,027 | 362,027 | 466,932 | 36,822 | 503,754 |

Marshall's Charity

Independent auditor's report to the trustees of Marshall's Charity

Opinion

We have audited the financial statements of Marshall's Charity for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2019 and of the group's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 group's and the parent 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 group or the parent 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.

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.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity 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.

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 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP

10 Queen Street Place

Statutory Auditors

London

Date: 5 May 2020

EC4R 1AG

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