

Registered Charity Number: 214267

MERCHANT TAYLORS' CONSOLIDATED CHARITIES FOR THE POOR

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 December 2019

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Trustees submit their report and financial statements for the year ended 31 December 2019.

The accounts comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)) second edition, and in accordance with the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Objects of the Charity are as follows. After defraying properly incurred expenses, the income of the Charity is to be applied in support of poor persons who are Freemen of the Merchant Taylors' Company or the dependants or apprentices of such Freemen, and, in default of suitable persons qualified as aforesaid, poor persons in London or elsewhere who through age, infirmity or illness are in need of assistance in the following ways, in order of priority:

- 1) In assisting such beneficiaries as they may select either by way of gifts or by periodic monetary allowances, such periodic allowance to be discontinued at any time if the Trustees think fit;
- 2) In supplementing the income of the Merchant Taylors' Consolidated Almshouse Charities [now The Merchant Taylors' Boone's Charity, registered charity no. 214262];
- 3) In making subscriptions to institutions or organisations having among their objects the assistance of the beneficiaries, including any home, clinic or other institution provided by Merchant Taylors' Consolidated Charities for the Infirm.

Aims and Objectives

The Charity's main aim is to supplement the work of its sister charity Merchant Taylors' Consolidated Charities for the Infirm ('MTCCI', registered charity no. 214266), because there is a very heavy overlap between their respective charitable Objects. The Charity does this by funding grant applications submitted by charities to MTCCI where there are a number of applications with excellent fit with MTCCI's criteria and also with the Charity's Objects, but MTCCI does not have the budget to fund all of them.

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. Grants are made to grantee charities whose beneficiaries can be any member of the public, subject only to any restrictions necessarily imposed by the grantees' own charitable purposes. Examples are homelessness charities, mental health charities, and charities which work with isolated elderly people.

The Charity does not discriminate on the grounds of any characteristic protected by the Equality Act or any other relevant legislation.

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Grant-making policies

The Charity does not accept unsolicited applications for funding. Its grant-making criteria are the same as the published guidelines for MTCCI, as explained in detail at <https://www.merchant-taylors.co.uk/philanthropy/merchant-taylors-cci>.

Strategy

The strategy for the year has been where possible to maintain at an appropriate level the support given to individual beneficiaries, and to award Year 2 or Year 3 funding to charities on the Conditional Multi-Year Track if, in the Trustees' absolute discretion, they are satisfied that the recipient had made satisfactory use of the previous year's funds.

The Trustees also wished the Charity's funds to recover to an extent where it could make noticeably more grants, following some years in which the Charity's funds had been drawn on heavily due to its sister charity MTCCI having reduced grant-making capacity.

Review of Activities

The Charity made Year 2 or Year 3 grants to previous grant recipient charities, on its Conditional Multi-Year Track. Total grant-making to charities amounted to £18,000 (2018: £30,250). The Charity also paid out voluntary allowances to a small number of residents of the almshouses managed by The Merchant Taylors' Boone's Charity, totalling £4,335 (2018: £3,191). These were residents felt to be in particular financial hardship. In early 2020, the number of residents benefitting from this was reduced to one, since The Merchant Taylors' Boone's Charity itself began to make provision for the others.

The Charity Commission notified the Charity that the Commission was prepared, subject to a satisfactory consultation process, to offer a Scheme to merge the Charity, MTCCI and a third charity and modernise their objects. The suggested new Objects are: "the relief, for the benefit of the public, of those people who are in need by reason of age, ill health, disability, financial hardship or other disadvantage. In particular, but not exclusively, by providing: grants, items and services to individuals in need and/or charities or other organisations".

The Charity began the informal stage of the consultation, which continued into 2020. None of the informal consultees objected to the proposed merger. The Commission issued a Scheme dated 20 August 2020 which merged the above charities into the Charity, with the new Objects above.

Covid-19 pandemic update on activities

At the time of writing, it is clear that sister charity MTCCI's investment income will be significantly less than in 2019. MTCCI's own reserves policy was designed to assist in exactly this sort of scenario, but is not enough to cover in full all of the grants on the Multi-Year Conditional Track which the Trustees were assuming MTCCI might make during 2020, subject to satisfactory grant reports.

Accordingly, the Charity's excess in the unrestricted fund above the Charity's reserves policy is being diverted to help support MTCCI in its reduced grant-making, in light of the Covid pandemic. This is subject to the Charity continuing to fund its own existing grantees with Year 2 or Year 3 awards falling due on the Multi-Year Conditional Track. At the time of writing, the Trustees are also considering using the Charity's own reserves normally subject to the reserves policy.

Where grantees had already received grants during 2020 before the pandemic severely affected life

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in the UK, the Charity has agreed requests to divert the funding from projects to core costs (provided the activity of the grantee as a whole is within the Charity's objects) or to delay spending the grant funds until the project becomes viable again.

ACHIEVEMENTS AND PERFORMANCE

Performance against strategy

The Charity was able to provide a good degree of support to individual beneficiaries, whilst also granting Year 2 or Year 3 funding on the Conditional Multi-Year Track to previous recipients where the Trustees felt in their absolute discretion that the recipients had made satisfactory use of the previous year's funding.

Investment performance

The investment income was £90,126 (2018:£83,222).

There was a total return of 15.8% on the Charity's investments in the Merchant Taylors' Income Biased Charities fund. This fund is primarily benchmarked against a composite index of income-oriented funds, which achieved a total return of 15.2%. The fund's secondary benchmark is RPI + 3.5% per annum over the longer term.

FINANCIAL REVIEW

Investment Powers and Policy

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to maintain capital growth.

Merchant Taylors' Income Biased Charities Fund is managed on a discretionary basis. It has a balanced mandate so is managed for a combination of capital and growth. There are no investment restrictions and hence no social, environmental or ethical considerations as such are taken into account.

It is a fund for investors with a medium risk tolerance, with a 6-10 year time horizon and the capacity to tolerate a temporary or, sometimes, permanent capital loss. The benchmark for the fund is explained earlier in this report, under the heading Investment Performance.

Risk management

The Trustees regularly review their Risk Register, which details the present status of those operational risks which might diminish the Charity's effectiveness, and the measures in place to mitigate them.

The potential for grant fraud is acknowledged as being a major risk to which the Charity, and charities like it, may be subject, and it is felt that the extensive pre-Committee due diligence and post-grant monitoring processes in place mitigate against it as strongly as the Charity's resources will allow. A proportion of successful grantee organisations receive a visit from staff and/or Trustees at some point in the grant cycle, at the direction of the Trustees.

Grants are mostly made to organisations rather than to individuals, and only very rarely to organisations which are not, or are not yet, registered with the Charity Commission or an equivalent

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

regulator. Personal contact is established by the staff with each and every grantee organisation, and grantees are required to signify written agreement to an extensive and binding set of Terms and Conditions before any payment may be made.

The individual grantees are a small number of long-standing residents of the almshouses provided by The Merchant Taylors' Boone's Charity. The grants are paid directly to The Merchant Taylors' Boone's Charity to offset accommodation charges owed.

The Trustees are aware that safeguarding is a high priority for the charity sector as a whole. In the context of the Charity making grants to organisations, the grant application form requires applicant organisations working with children or vulnerable adults to certify that the relevant staff are DBS checked. The Trustees believe that this is a proportionate approach. In the context of grants to individual residents of The Merchant Taylors' Boone's Charity, the Trustees are satisfied that The Merchant Taylors' Boone's Charity itself has a robust safeguarding policy, and all staff are DBS checked.

The other major risk to which the Charity is exposed is the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications, bearing in mind that the Charity conducts no fundraising activities. The Charity is a charitable trust supported by The Merchant Taylors' Company. It does not carry out any fundraising activity in order to raise funds from the general public. It does not work directly with commercial sponsors or engage professional fundraisers. There were no complaints made in respect of fundraising during the year, because there was no fundraising.

Financial reserves

The Trustees' policy is to retain approximately £20,000 in liquid and expendable funds as a reserve, although it is considered appropriate to make use of the reserve rather than to dismiss what would otherwise be successful applications for grants. The policy reflects the fact that the Trustees invite certain grantees to re-apply for funds in the following year. There is no guarantee that any award will be made in response to the re-application since it is at the Trustees' discretion and this is made clear to these grantees. The Trustees believe it is prudent to have a level of reserves which would allow them to grant those re-applications in at least the majority of cases, even if income were to suffer. The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure.

As at 31 December 2019 the actual amount held was £92,311 (2018: £56,558), ie, in excess of policy. The difference was due to not identifying suitable grant recipients, and to a degree of over-cautious budgeting.

A review of the final position at the end of the reporting period

The Unrestricted Fund stood at £92,311 (2018: £56,558) at year-end and the Endowment Fund stood at £2,080,090 (2018: £1,875,830).

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Covid-19 pandemic update on finances

As explained earlier in this report, at the time of writing, the Trustees are diverting a significant part of the Charity's unrestricted reserves to help MTCCI in its grant-making. The Charity's own investment income for 2020 is forecast to be significantly less than in 2019. However, the Trustees are confident that the Charity will have the funds to pay out the single Year 3 grant falling due for consideration on the Multi-Year Conditional Track, if the grantee submits a satisfactory report, in addition to supporting MTCCI's grant-making. This is due to the Charity's surplus above the reserves policy threshold which was carried over at the end of 2019.

FUTURE PLANS

As explained earlier in this report, by Scheme dated 20 August 2020 the Charity Commission merged MTCCI and Harold and Dorothy Howitt Trust Fund (Merchant Taylors' Company) into the Charity. The resulting new entity kept the registered name 'Merchant Taylors' Consolidated Charities for the Poor' and the registered number 214267. All assets held by the new entity are badged with the following new charitable Objects:

"the relief, for the benefit of the public, of those people who are in need by reason of age, ill health, disability, financial hardship or other disadvantage. In particular, but not exclusively, by providing: grants, items and services to individuals in need and/or charities or other organisations".

In a further consolidation of grant-making charities, it is intended that in late 2020 or early 2021 the resulting merged charity, to the extent lawfully possible, will donate its assets as restricted funds to The Merchant Taylors' Foundation (registered charity no. 1161568). If it is lawfully possible for the merged charity to donate all of its assets after paying off its liabilities, the merged charity will then be wound up since it is not thought likely that it would receive any legacies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed by a Charity Commission Scheme dated 11th October 1960. This superseded a Scheme made in 1924 which consolidated thirty-eight charitable trusts established by will, deed, or indenture between 1452 and 1923.

Appointment of Trustees

The Trustees are appointed by resolution of the existing Trustees from the membership of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity needs at the relevant time. Under the proposed Charity Commission Scheme to merge the Charity with others, Trustees will serve fixed terms of three years.

The Trustees are also Trustees of a number of other grant-making charities with similar associations with the Merchant Taylors' Company.

Induction and training of Trustees

Trustees are given a comprehensive induction pack covering key matters such as the Charity's Objects, grant-making policy, and sources of income. They are offered at least one opportunity each year to receive training, either by Merchant Taylors' Company staff or external speakers.

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FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees have access to the governing document, previous minutes, and Charity Commission guidance. They are also supported by qualified and experienced staff based at Merchant Taylors' Hall. Further advice and guidance is offered to the Trustees through a system of committees within the Company, culminating with the Court of the Merchant Taylors' Company.

Management Personnel

The Charity does not employ management personnel but receives the services of Bradestrete Services Limited a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

Decision-making and delegation

The Trustees are supported in their decision making by a wider 'Charities Committee' drawn from the membership of the Merchant Taylors' Company.

The Trustees meet on their own, to deal with all financial and strategic matters relating to the Charity. In particular, this includes agreeing the grant-making budget (if any) for disbursement by the immediately following meeting of the Charities Committee, and agreeing grant-making parameters. At the start of each meeting, the Chairman asks the Trustees to declare any personal interest which might directly or indirectly cause them a conflict. If a Trustee does declare an interest, they do not participate in any decision where that interest is relevant nor do they count towards the quorum at the time of taking such decision. (Charities Committee members who are not Trustees are welcome to observe the Trustees' meeting, but are not allowed to speak or vote or count in the quorum.)

The Trustees' meeting is then brought to a formal close, and the Charities Committee meeting is formally opened. This Committee consists of the Trustees, and some non-Trustees, who are members of the Merchant Taylors' Company.

The Chairman asks the Charities Committee to declare any interests, and the same rule is applied about quorum/decision-making. The Chairman reports the grant-making budget which the Trustees have agreed for that occasion. The Committee then decides the grant applications, within that budget and within the grant-making parameters set by the Trustees.

There are separate minutes of the Trustees' meeting and the Charities Committee meeting.

Grants of less than £5,000 may customarily be awarded by the Chairman, subject to ratification by the Trustees, where a rapid decision is required in order for the grant to be effective.

Related Parties

The Trustees are all members of the Merchant Taylors' Company, which administers this Charity. Some of the Trustees may be connected to one or more of the organisations that received grants during the year. However, as all grants are approved on a majority basis by the members of a separate committee, the Trustees do not believe that such connections impact on the grant-making process.

During the year, Merchant Taylors' Consolidated Charities for the Infirm, a charity administered by the Merchant Taylors' Company, collected income and paid expenditure on behalf of this Charity.

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Charity

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	Merchant Taylors' Consolidated Charities for the Poor
REGISTERED CHARITY NUMBER:	214267 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr R A D Sullivan (Chairman) Mr R J A Bull Mr D Jackson (Appointed 11 th June 2020) Revd Canon R Godsall (Appointed 11 th June 2020) Mr A G Moss (Resigned 11 th June 2020) Mr J A J Price (Resigned 11 th June 2020) Dr J J Oram FRCP (Resigned 11 th June 2020) Mr H A F Parshall (Resigned 15 th July 2019) Dr J Sichel (Resigned 15 th July 2019)
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
INDEPENDENT EXAMINER:	Cara Turtington FCA, DChA Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF THE 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 and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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; and
- 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 charitable company and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the governing document. 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 Report of the Trustees was approved by the Trustees on the 6th October 2020 and signed on their behalf:

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing)

Name: Richard AD Sullivan

Trustee

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

I report to the Trustees on my examination of the accounts of Merchant Taylors' Consolidated Charities for the Poor (the Trust) for the year ended 31 December 2019.

Respective Responsibilities of trustees and examiner

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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

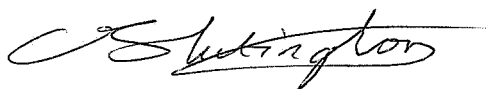
I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view', which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 16 October 2020



Cara Turtingon FCA, DChA
Saffery Champness LLP Chartered Accountants
71 Queen Victoria Street London EC4V 4BE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted fund £	Endowment fund £	Total 2019 £	Total 2018 £
Income and endowments from:					
Investments	2	90,126	-	90,126	83,222
Total income and endowments		90,126	-	90,126	83,222
Expenditure on:					
Raising funds					
Investment management costs		8,517	-	8,517	8,281
Charitable activities					
Grants, pensions and allowances	3	22,698	-	22,698	33,441
Grant related support costs	4	23,158	-	23,158	23,159
		45,856	-	45,856	56,600
Total expenditure		54,373	-	54,373	64,881
Net (losses) / gains on investments					
Realised					
Investment assets	5	-	13,908	13,908	(8,252)
Unrealised					
Investment assets	5	-	190,352	190,352	(188,857)
		-	204,260	204,260	(197,109)
Net income for the year and net movement in funds		35,753	204,260	240,013	(178,768)
Fund balances brought forward at 1 January 2019		56,558	1,875,830	1,932,388	2,111,156
Fund balances carried forward 31 December 2019	10	92,311	2,080,090	2,172,401	1,932,388

The accounting policies and notes on pages 14 to 21 form part of these financial statements.

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019	2018
		£	£
Fixed assets			
Investments	5	<u>2,072,543</u>	<u>1,868,366</u>
Current assets			
Debtors	6	101,073	19,232
Cash at bank		<u>4,447</u>	<u>67,465</u>
		105,520	86,697
Creditors: amounts falling due within one year	7	<u>5,662</u>	<u>22,675</u>
Net current assets		<u>99,858</u>	<u>64,022</u>
		<u>2,172,401</u>	<u>1,932,388</u>
Funds			
Endowment	8	2,080,090	1,875,830
Unrestricted	9	<u>92,311</u>	<u>56,558</u>
	10	<u>2,172,401</u>	<u>1,932,388</u>

These financial statements were approved by the Trustees on 6th October 2020

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing)

Richard AD Sullivan

Trustee

The accounting policies and notes on pages 14 to 21 form part of these financial statements.

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 Accounting policies

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (2nd edition) and the Charities Act 2011.

1.1 Accounting convention

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on an accruals basis under the historic cost convention, with the exception of investments which are stated at market value.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and endowments

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are recognised when their receipt is probable.

Income from investments is included when receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds comprises those costs directly attributable to managing the investment portfolio and raising investment income.

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

1.4 Expenditure (continued)

Expenditure on charitable activities includes those costs incurred by the Charity in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive one-year of a possible multi year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over one year from the date of the award. There are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making future payment(s), settlement is probable and the effect of discounting is material. The discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Charity.

Allocation of support and governance costs

Support costs have been allocated between the governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs related to independent examiner fees and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing all grants are broadly equivalent.

1.5 Fixed asset investments

Investments are stated at market value at the balance sheet date. Net gains and loss arising on revaluation and disposals throughout the year are taken to the Statement of Financial Activities.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1.7 Funds

The unrestricted fund represents income available for expenditure, whilst the endowment fund has the principal purpose of generating that income. See notes 8 and 9 for further information.

2 Income from investments

	2019	2018
	£	£
Income from listed investments	90,061	83,183
Deposit interest receivable	65	39
	<hr/>	<hr/>
	90,126	83,222
	<hr/> <hr/>	<hr/> <hr/>

3 Grants

	2019	2018
	£	£
The amount payable in the year comprises:		
Pensioners and Voluntary Allowances	4,335	3,191
Sydenham Garden	4,000	-
CHICKS	363	-
The Feast Youth Project	7,000	7,000
New Hackney Education Business Partnership	-	16,250
Shine Charity	7,000	7,000
	<hr/>	<hr/>
	22,698	33,441
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4 Grant related support costs

	2019 £	2018 £
Administration costs	21,385	22,111
Insurance	353	338
Governance costs:		
Independent examiner's remuneration:		
- Statutory report - current year	1,010	682
- Statutory report - prior year under provision	410	8
	<u>23,158</u>	<u>23,159</u>

Trustees received no remuneration (2018: £nil) and were not reimbursed for any of their expenses in the year (2018: £nil). The Charity had no employees during the current or prior year.

5 Fixed asset investments

Listed investments

	2019 £	2018 £
Market value at 1 January 2019	1,868,366	2,065,698
Add:		
Additions	132,043	192,078
Disposals	(132,126)	(192,301)
Net realised and unrealised (losses) / gains	204,260	(197,109)
Market value at 31 December 2019	<u>2,072,543</u>	<u>1,868,366</u>
Historic Cost		
31 December 2019	<u>1,481,031</u>	<u>1,473,338</u>

Listed investments include individual funds which have been pooled for investment purposes under a scheme of the Charity Commissioners.

6 Debtors

	2019 £	2018 £
Prepayments and accrued income	176	176
Other debtors	100,897	19,056
	<u>101,073</u>	<u>19,232</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6 Debtors (cont'd)

Other debtors include the following balances with connected parties:

	2019 £	2018 £
Consolidated Charities for the Infirm	100,897	19,056

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Grants payable	-	16,329
Trade creditors	1,100	-
Accruals	4,490	2,651
Other creditors	72	3,695
	<u>5,662</u>	<u>22,675</u>

Other creditors include the following balances with connected parties:

	2019 £	2018 £
Bradestrete Services Limited	72	3,695

8 Endowment fund

	2019 £	2018 £
Balance at 1 January 2019	1,875,830	2,072,939
Realised / unrealised (losses) / gains on listed investments	204,260	(197,109)
Balance at 31 December 2019	<u>2,080,090</u>	<u>1,875,830</u>

Due to the age of the fund it is not possible to determine the exact amount of the permanent capital element of the fund, although it is reasonable to assume that a permanent capital element be maintained.

All realised and unrealised movements in the value of investments have been added to or deducted from the capital value of the Charity.

9 **Unrestricted fund**

Movement in fund

	Balance 1 Jan 2019 £	Total income £	Total expenditure £	Balance 31 Dec 2019 £
Unrestricted fund	56,558	90,126	(54,373)	92,311

Unrestricted fund 2018 Comparison

	Balance 1 Jan 2018 £	Total income £	Total expenditure £	Balance 31 Dec 2018 £
	38,217	83,222	(64,881)	56,558

Details of the objects of this fund can be found in the Report of the Trustees on page 3.

10 **Analysis of net assets between funds**

	Unrestricted fund £	Endowment fund £	Total £
Investments	-	2,072,543	2,072,543
Net current assets	92,311	7,547	99,858
Long term liabilities	-	-	-
Balance at 31 December 2019	92,311	2,080,090	2,172,401

Analysis of net assets between funds 2018 Comparison

	Unrestricted fund £	Endowment fund £	Total £
Investments	-	1,868,366	1,868,366
Net current assets	56,558	7,464	64,022
Long term liabilities	-	-	-
Balance at 31 December 2018	56,558	1,875,830	1,932,388

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11 Related party transactions

During the year, Consolidated Charities for the Infirm, another Trust administered by the Merchant Taylors' Company, collected income and paid expenditure on behalf of this Trust.

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Trust amounting to £21,385 (2018: £22,111).

as all grants are approved on a majority basis by the members of a separate committee the Trustees do not believe that such connections impact on the grant making process.

The Trustees are all members of the Merchant Taylors' Company, which administers this Trust.

The balances due to and from the other Trusts administered by the Merchant Taylors' Company at 31 December 2019 are disclosed in notes 6 and 7 to the financial statements.

12 Post balance sheet event

In March 2020 the World Health Organisation declared the outbreak of the Covid 19 virus to be a global pandemic. The Trustees have considered the impact on the Charity's finances and remain confident that the Charity remains a going concern at this time.

A Charity Commission Scheme dated 20 August 2020 merged the following charities into the Charity:

Merchant Taylors' Consolidated Charities for the Infirm
Harold and Dorothy Howitt Trust Fund (Merchant Taylors' Company).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13 Comparison information

	Unrestricted fund £	Endowment fund £	Total 2018 £
Income and endowments from:			
Donations and legacies	-	-	-
Investments	83,222	-	83,222
Total income and endowments	83,222	-	83,222
Expenditure on:			
Raising funds			
Investment management costs	8,281	-	8,281
Charitable activities			
Grants, pensions and allowances	33,441	-	33,441
Grant related support costs	23,159	-	23,159
	56,600	-	56,600
Total expenditure	64,881	-	64,881
Net (losses) / gains on investments			
Realised			
Investment assets	-	(8,252)	(8,252)
Unrealised			
Investment assets	-	(188,857)	(188,857)
	-	(197,109)	(197,109)
Net (expenses) for the year and net movement in funds	18,341	(197,109)	(178,768)
Fund balances brought forward at 1 January 2018	38,217	2,072,939	2,111,156
Fund balances carried forward 31 December 2018	56,558	1,875,830	1,932,388