

REGISTERED CHARITY NUMBER: 1121954

**The Company of Arts Scholars Charitable  
Trust  
Report of the Trustees and  
Audited Financial Statements for the Year Ended 31 March 2020**

The Company of Arts Scholars Charitable  
Trust

Contents of the Financial Statements  
for the year ended 31 March 2020

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**The Company of Arts Scholars Charitable  
Trust**

**Reference and Administrative Details  
for the Year Ended 31 March 2020**

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| <b>TRUSTEES</b>                  | Mr D J M Needham<br>Mr M C Bridge<br>Mr T G Christopherson<br>Mr J H Spanner TD<br>Mr J L Barber DL<br>Mr R Aydon<br>Mrs H Bauer OBE |
| <b>PRINCIPAL ADDRESS</b>         | Furniture Makers' Hall<br>12 Austin Friars<br>London<br>EC2N 2HE   |
| <b>REGISTERED CHARITY NUMBER</b> | 1121954  |
| <b>INDEPENDENT AUDITORS</b>      | Harmer Slater Limited<br>Curzon House 2nd Floor<br>24 High Street<br>Banstead<br>Surrey<br>SM7 2UJ                                   |
| <b>HONORARY TREASURER</b>        | Mr O Charles   |
| <b>ADMINISTRATIVE ADDRESS</b>    | Secretary to the Trustees<br>The Company of Arts Scholars Charitable Trust<br>12 Austin Friars<br>London<br>EC2N 2HE                 |

The Company of Arts Scholars Charitable  
Trust

Chairman's Report  
for the year ended 31 March 2020

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This report is being written some months after the end of the period under review at a time when we have all become used to the pandemic of Coronavirus, Covid-19, which has transformed our lives. It was on the 23rd March 2020, only eight days before the end of this accounting period, that we went into lock-down. Up till that time our investments had performed well, as may be seen from the attached accounts. At the time of the lock-down, the trustees decided to take a cautious approach to the investment of the Trust's funds and I am pleased to be able to report that, after a difficult few months, the investments recovered, but I shall report more fully at a later date.

The trustees are in a good position to meet their obligations arising from longer-term grants.

I acknowledge the great support that I receive from all my fellow trustees and am pleased to have the opportunity to thank them warmly and, on their behalf, I would like to express our gratitude to the members of the **Investment Advisory Committee**, chaired by Graham Barker, for the advice that we receive from them regarding the investment of the Trust's funds, under the management of **CCLA**.

Our thanks are no less due to the **Charity Committee**, chaired by Jill Makepeace-Warne, for seeking out people and causes who might be likely recipients of a grant from the Trust. A list of the Charitable awards made during the year is attached.

The Trust is greatly indebted to **Oliver Charles**, the Hon. Secretary of the Trust and also of the Charity Committee. Oliver, besides being a very active Liveryman of the Arts Scholars, runs his own legal practice. I am pleased to take this opportunity to express our thanks to him.

Finally, I would like to record our thanks to our independent auditors, Harmer Slater, formerly Langdon West Williams.



David J.M. Needham

Chairman

**The Company of Arts Scholars Charitable  
Trust**

**Report of the Trustees  
for the year ended 31 March 2020**

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The Trustees present their report with the financial statements of The Company of Arts Scholars Charitable Trust ("the Charitable Trust") for the year ended 31 March 2020.

The Reference and Administrative Information set out on page 1 forms part of this report. The Trustees confirm the financial statements comply with the current statutory requirements, the Trust Deed as amended and the provisions of 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) (effective 1 January 2015) ("SORP (FRS 102)").

**OBJECTIVES AND ACTIVITIES**

**Significant activities**

The governing document of the Charitable Trust provides that the Trustees shall hold the capital and income of the Trust fund upon trust to apply the income, and all or such parts of the capital, at such time or times and in such manner for:

1. the relief of poverty or need arising by reason of youth, age, ill-health or disability, financial hardship or other disadvantage;
2. the advancement of education for the benefit of the public in relation to:
  - a) all aspects of decorative and historic arts and the development of public appreciation of such art; and
  - b) the history of the City of London; and
3. such other exclusively charitable objects and purposes in any part of the world as the Trustees may in their absolute discretion think fit.

During the year the Charitable Trust has made a series of grants in accordance with these objectives.

**Public benefit**

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit. The principal public benefit the Charitable Trust brings arises from the support it gives, both directly in terms of finance and resource, and indirectly in terms of raising awareness, to the various areas of the art world and City of London covered by its Objects.

**EFFECTS OF COVID-19**

The outbreak of the novel coronavirus (COVID-19) and the related global responses has caused significant disruptions to all businesses. This has led to an economic slowdown of the world economy with a significant impact on all businesses either directly or indirectly. Whilst it is not possible to reliably estimate the duration and severity of the consequences of this outbreak on the charitable trust's business, financial position and results for future periods, the trustees have assessed and are of the opinion that the impact of COVID-19 on the charitable trust's business in the foreseeable (being at least 12 months from the date of signing the financial statements) future is manageable.

There have been no other significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

**The Company of Arts Scholars Charitable  
Trust**

**Report of the Trustees  
for the year ended 31 March 2020**

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**OBJECTIVES AND ACTIVITIES**

**Charity Policy**

In accordance with the Charitable Objects and other provisions of the governing document the Trustees adopted a revised Charity Policy in November 2014. This provides that grants and awards shall be considered in the following categories:

- (i) For education and research within the fields of the decorative and historic arts, including restoration and conservation projects, travel bursaries, internships and training schemes;
- (ii) For charitable causes promoted by the incumbent Lord Mayor of the City of London;
- (iii) To support adopted units in Her Majesty's armed services and equivalent bodies undertaking work in fields related to those listed in paragraphs (i) and (ii) above;
- (iv) In response to recommendations by the Almoner of The Worshipful Company of Arts Scholars ("the Company") for the support of necessitous Liverymen or Freemen of the Company and their widows, widowers, orphans or other dependants;
- (v) To support institutional, exhibition and publishing initiatives within the fields of the decorative and historic arts;
- (vi) To support any other categories which the Trustees deem worthy of consideration.

In addition, the Policy provides that special consideration be given by the Trustees to charitable projects which:

- (i) Are likely to make a material difference and have a significant impact for the beneficiary, offering clear value beyond the amount of the funding;
- (ii) Provide and extend educational opportunities for students in the fields of the decorative and historic arts, at all levels from school through to post graduate studies;
- (iii) Enable Liverymen and Freemen of the Company to become involved in the project under consideration, beyond the award of funding by the Trust;
- (iv) Assist the Company's development by receiving some public acknowledgement for either the Company or the Trust; and/or
- (v) Support the City of London's pre-eminence in all aspects of the decorative and historic arts.

The Charity Policy contains additional provisions limiting the amount of grants and awards to be made in any year and the amounts to individual beneficiaries. A Charity Committee has been appointed by the Trustees to assist in making recommendations on grants and awards and identifying and pursuing fundraising initiatives.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The Charitable Trust has been able to increase the making of grants.

The grants and awards made by the Charitable Trust in the year ended 31 March 2020 are set out in the notes to the financial statements.

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**The Company of Arts Scholars Charitable  
Trust**

**Report of the Trustees  
for the year ended 31 March 2020**

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**FINANCIAL REVIEW**

**Principal funding sources**

The principal funding source for new funds is from the charitable giving from the Liverymen and Freemen of the Company together with investment returns on the investments held by the Charitable Trust.

The Charity does not engage in any direct public fund raising.

As the Charitable Trust establishes a fund available to meet its Charitable Objects, investment income and returns are being generated from these funds.

**Reserves policy**

The Trustees have reviewed the level of free reserves (i.e. those funds not represented by fixed assets, plus designated and restricted funds) the Charitable Trust will require to sustain its operations. Excluding the revaluation of the CCLA investment shown through the Statement of Financial Activities, The Trustees aim to retain each year, a sum equivalent to 20% of the annual income to invest into the Charitable Trust Fund. The remaining 80% of income is to be used to issue grants and cover operational expenses.

The Trustees are satisfied that the disposition of funds at the year end is such that the Charitable Trust can continue to generate sufficient income and has sufficient cash resources to enable it to continue to pursue its Charitable Objects and so the accounts have been prepared on the going concern basis.

**Financial Review**

The Charitable Trust received total donations and legacies in the year ended 31 March 2020 of £37,061 (2019 - £37,668).

Expenditure on audit and accountancy fees, investment management and management and administration charge was £42,926 (2019 - £22,366) and upon grants and awards was £71,405 (2019 - £71,730). Investment income and losses totalled a net gain of £43,964 (2019 – Investment income and gain totalled a net gain of £245,473). There was a net decrease in funds for the year of £36,452 (2019 – net increase £188,636).

At the year end, the Charitable Trust retained £3,844,211 (2019 - £3,880,663) in unrestricted funds.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charitable Trust is a registered charity whose governing document is a Trust Deed dated 16 July 2007, as amended by subsequent Deeds of Variation. The Charitable Trust is registered with the Charities Commission in the Central Register of Charities as No. 1121954.

**Recruitment and appointment of new trustees**

The governing document of the Charitable Trust provides that the power of appointing new Trustees is vested with the Court of the Worshipful Company of Arts Scholars (the "Company"). A new Trustee may be appointed at any time (either by way of replacement or addition), but the total number of Trustees shall at no time exceed ten.

**Organisational structure**

Trustee meetings are held on a regular basis and the Trustees met four times during the year. The Trustees agree the broad strategy and areas of activity including the consideration of grant making, the performance of investments, the adequacy of the Charitable Trust's reserves and risk management procedures. All decisions are made directly by the Trustees, supported in day-to-day management by the Secretary to the Trustees and in financial management by the Honorary Treasurer.

**The Company of Arts Scholars Charitable  
Trust**

**Report of the Trustees  
for the year ended 31 March 2020**

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**Governance Code**

The Trustees are aware of the Charity Governance Code and have applied certain of its provisions. They continue to consider what further provisions could be applied given the nature and size of the charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Related parties**

The Trustees of the Charitable Trust are members of the Worshipful Company of Arts Scholars ("the Company") and the two entities have similar objectives. The Company was an unincorporated association until incorporated by grant of a Royal Charter on 1st July 2019, and is the 110th Livery Company of the City of London.

**Risk management**

The Trustees have a duty to identify and review the risks to which the Charitable Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have reviewed the risk position and profile of the Charitable Trust at their regular meetings and are satisfied that the financial risks are not significant. Internal control systems and procedures have been established to monitor and manage such risks.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charity and to 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 trust deed. 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.

**Statement of Disclosure of Information to Auditors**

To the best of the knowledge and belief of the Trustees, there is no relevant information that the Auditors to the Charitable Trust are not aware of, and the Trustees have taken all the steps necessary to ensure that they are aware of any relevant information, and to establish that the Auditors are aware of that information.

Approved by order of the board of trustees on 14<sup>th</sup> January 2021 and signed on its behalf by:



Mr D J M Needham - Chairman