

**THE MASTER CHARITABLE TRUST**

**REPORT AND FINANCIAL STATEMENTS**

REGISTERED CHARITY NUMBER: 1139904

**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

Messrs. Hoare Trustees  
37 Fleet Street  
London  
EC4P 4DQ

**THE MASTER CHARITABLE TRUST**  
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## Reference and administrative information

**THE MASTER CHARITABLE TRUST  
TRUSTEE'S ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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**Report of the Trustee for the year ended 30th September 2019.**

The Trustee of the Master Charitable Trust (the Charity) presents its report along with the financial statements of the charity for the year to 30th September 2019. The financial statements have been prepared in accordance with the accounting policies set out on page 10 and 11 and comply with the charity's Trust Deed, the Charities Act 2011 and the requirements of the 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 issued in July 2014.

Structure, Governance and Management

The Charity's registration number is 1139904. The principal and registered address is 37 Fleet Street, London EC4P 4DQ. The Charity is governed by a Declaration of Trust dated 23rd December 2009 (as amended by Deed on 5th January 2011). The Trustee, who is stated on page 1, is responsible for the management of the Charity.

The Charity's finances encompass the General Endowment Fund and individual Giving Funds. The Giving Funds comprise a capital account, an income account and a Giving Account. The capital accounts are treated as expendable endowments under the Charities SORP, and all the Funds are unrestricted under the terms of the Trust Deed.

Donors have the ability to name their own Giving Fund subject to the Trustee's approval. Donors can make an initial lump sum contribution through cash, shares or other assets and replenish their Giving Fund when they wish. Donors will receive a charity "cheque book" in the name of the Giving Fund and Donors can choose to invest the funds in a professionally managed portfolio in order to grow their fund.

Objectives and Activities

The Declaration of Trust directs that the capital (expendable endowment) and income of the Charity is to be held on trust for the benefit of such exclusively charitable objects and purposes in any part of the world as the Trustee may in its absolute discretion think fit.

The Charity provides a simple and cost effective way for donors to manage their charitable donations retaining the ability to direct the investment strategy or appoint an investment manager. The in-built flexibility and the way in which the Bank's Philanthropy and Giving service is supporting customers throughout the process makes it easier for customers to be more philanthropic.

Many donors are attracted by the fact the Charity can be used to create an enduring legacy and appoint a successor.

Fundraising

During the year donations were received from the public as a result of a specific programme run internally by the charity. An external provider was employed by the Trustee with the specific programme to assist with event and an appropriate agreement was signed to consider such aspects as data protection. The amount raised from this activity amounted to £292,825. No complaints were received in the year regarding our fund-raising practices.

Grant making policy

A wide variety of UK charitable causes have been supported. The policy is to make grants to UK registered charities or for charitable purposes in any part of the world as approved by the Trustee.

As required by the Charities Act 2011, the Trustee has referred to the Charity Commission's general guidance on public benefit when formulating the grant making policy. In particular, the Trustee has considered how grants can be made to ensure maximum benefit flows through to the intended ultimate beneficiaries. The grants benefit a number of public causes, as detailed in note 5. In shaping objectives and planning activities for the year, the trustee has considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance

During the year, the Trustee made donations totalling £25,027,469 to 495 registered charities (2018: £10,631,786 to 368). The Trustee is pleased with the ongoing progress made in the year and looks forward again to increasing the Charity in size and expanding the work with many other charities and foundations in the years to come.

Financial Review

The Trustee received donations during the year of £57,496,628 (2018: £66,162,500) which includes £1,571,315 of Gift Aid claims (2018: £816,146), and established a further 13 Giving Funds which between them donated new expendable endowments totalling £18,797,131 bringing the number of Giving Funds to 71 at the year end. The net inflow of funds after recognised gains and losses amounted to £36,425,309 (2018: £57,427,027). The financial statements for the year are set out on pages 7 to 20.

Risk Management

Messrs. Hoare Trustees is responsible for the oversight of the risks faced by the Charity. Messrs. Hoare Trustees regularly review the risk position, internal controls assessment and compliance with relevant statutory and finance regulations.

The Charity has a risk-management process designed to identify the major risks that could impact the Charity.

**THE MASTER CHARITABLE TRUST  
TRUSTEE'S ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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Risk Management (continued)

This process identifies the major risks the Charity faces, the likelihood of occurrence, the significance of the risk, and any mitigating controls that are in place. It also seeks to identify any actions and resources required to manage these risks further.

The Charity's investment activities are its main financial risk. This risk is managed, with the support of investment advisers, through: regular review of the investment policy; management of strategic asset allocation; risk measurement and reporting; independent valuation and performance reporting; diversification across a broad range of asset classes, geographies, investment managers and investment strategies.

To mitigate the possibility of any inappropriate donation being made, the Trustee undertakes certain due diligence on each benefitting charity to ensure that it is either a UK registered charity with the Charity Commission, an exempt charitable body (church or school etc) or a charity limited by guarantee. Where a donation is to be made to a foreign body or individual, more extensive due diligence is undertaken in accordance with HMRC guidelines.

Investment Policy and Performance

Under the terms of Clause 22 of the Trust Deed the Trustee is able to apply any money to be invested in the purchase of or at interest upon the security of such shares, stocks, funds, securities, land, buildings, chattels or other investments or property of whatever nature and wherever situate and whether involving liabilities or producing income or not, as it sees fit. For the avoidance of doubt, the Trustee may for investment purposes, pool all the property held by them under the terms of this Deed.

The Trustee has a policy statement in place for each of the Giving funds which is invested in line with the criteria and may differ for each fund. Performance is measured in accordance with the risk profile of each Trust Fund.

A donor may approach the Trustee with a suggestion of investing in a social investment project. Certain due diligence would then be carried out and the findings presented to the donor and Trustee. Once the donor and Messrs. Hoare Trustees are satisfied with the due diligence report both parties sign the report and the investment may proceed.

Reserves Policy

According to the Charity Commissioners guidance update in their Statement of Recommended Practice: "Accounting and Reporting by Charities" revised in July 2014, the Trust's expendable endowment is not considered part of the charity's free reserves. However, this endowment is a considerable sum, and the capital can be used at the discretion of the Trustee to fund any deficit on expenditure. It is therefore the view of the Trustee that the Trust does not need to hold any additional money in reserve.

Future Plans

In the medium to long term, the Trustee intends to increase the level of charitable donations by promoting increased participation and increasing the number of Giving funds. The Trustee is mindful of the potential impact that Covid-19 may have on the growth of the trust in terms of new Giving funds being established as well as the possible fall of investment value and income.

**Statement of Trustee's responsibilities**

The Trustee is responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustee to prepare financial statements for each financial period that 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 Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is 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 Trustee is 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.

**12-Feb-2021**

Approved by the Trustee on:..... Date

*Alexander S. Hoare*

*Venetia E Hoare*

Venetia E Hoare (Feb 12, 2021 11:27 GMT)

and signed on its behalf by:..... Director..... Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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**Opinion**

We have audited the financial statements of The Master Charitable Trust for the year ended 30 September 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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**Matters on which we are required to report by exception (continued)**

- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

**Responsibilities of trustee**

As explained more fully in the trustee's responsibilities statement set out on page 3, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charity's trustee, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 any party other than the charity and charity's trustee as a body, for our audit work, for this report, or for the opinion we have formed.



**Moore Kingston Smith LLP**  
**Statutory auditor**

12 February 2021  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



**THE MASTER CHARITABLE TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

	Notes	-----Unrestricted Funds-----			-----Unrestricted Funds-----			Total Funds 2019 £	-----Unrestricted Funds-----			Total Funds 2018 £
		General Fund £	Income £	Expendable Endowment £	General Fund	Income	Expendable Endowment		General Fund	Income	Expendable Endowment	
<b>Income and Expenditure</b>												
<b>INCOME AND ENDOWMENTS FROM:</b>												
Donations and legacies:-												
Endowments received	2	10,493	-	57,486,135				57,496,628	21,455	-	66,141,045	66,162,500
Investment income	3	-	1,514,188	1,608				1,515,796	-	572,312	-	572,312
Other trading activities	4	-	-	292,825				292,825	-	-	-	-
<b>TOTAL INCOME</b>		<b>10,493</b>	<b>1,514,188</b>	<b>57,780,568</b>				<b>59,305,249</b>	<b>21,455</b>	<b>572,312</b>	<b>66,141,045</b>	<b>66,734,812</b>
<b>EXPENDITURE ON:</b>												
Cost of raising funds												
Investment management costs	7	2,094	-	126,531				128,625	1,886	-	91,722	93,608
Fundraising costs		-	153,538	-				153,538	-	-	-	-
Charitable activities	5	-	25,466,846	-				25,466,846	-	10,543,920	-	10,543,920
<b>TOTAL EXPENDITURE</b>		<b>2,094</b>	<b>25,620,384</b>	<b>126,531</b>				<b>25,749,009</b>	<b>1,886</b>	<b>10,543,920</b>	<b>91,722</b>	<b>10,637,528</b>
<b>NET OPERATING INCOME/(EXPENDITURE)</b>		<b>8,399</b>	<b>(24,106,195)</b>	<b>57,654,037</b>				<b>33,556,241</b>	<b>19,569</b>	<b>(9,971,608)</b>	<b>66,049,323</b>	<b>56,097,284</b>
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>												
Gains on Investments	9	9,193	-	2,599,159				2,608,352	15,534	-	1,305,408	1,320,942
Realised (loss) adjustment		(77)	-	(1,780)				(1,857)	-	-	-	-
Gains on Currency transactions		-	-	262,573				262,573	-	-	8,801	8,801
<b>NET INCOME/(EXPENDITURE)</b>		<b>17,515</b>	<b>(24,106,195)</b>	<b>60,513,989</b>				<b>36,425,309</b>	<b>35,103</b>	<b>(9,971,608)</b>	<b>67,363,532</b>	<b>57,427,027</b>
Gross transfer between Funds	12	(4,183)	24,185,161	(24,180,978)				-	(10,665)	10,005,481	(9,994,816)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>13,332</b>	<b>78,966</b>	<b>36,333,011</b>				<b>36,425,309</b>	<b>24,438</b>	<b>33,873</b>	<b>57,368,716</b>	<b>57,427,027</b>
<b>RECONCILIATION OF FUNDS</b>												
Total funds brought forward		358,577	81,082	98,344,519				98,784,178	334,139	47,209	40,975,803	41,357,151
<b>BALANCES CARRIED FORWARD</b>		<b>371,909</b>	<b>160,048</b>	<b>134,677,530</b>				<b>135,209,487</b>	<b>358,577</b>	<b>81,082</b>	<b>98,344,519</b>	<b>98,784,178</b>

All amounts relate to continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

**THE MASTER CHARITABLE TRUST**  
**BALANCE SHEET**  
**AS AT 30th SEPTEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Listed Investments	9	59,623,796	39,855,104
Unlisted Investments	9	2,243,726	1,700,000
Programme Related Investments	10	170,040	130,188
Tangible fixed assets	11	22,725	-
		<u>62,060,287</u>	<u>41,685,292</u>
<b>CURRENT ASSETS</b>			
Cash at Bank		73,117,901	57,505,850
Sundry Debtors	13	621,953	422,676
		<u>73,739,854</u>	<u>57,928,526</u>
<b>CURRENT LIABILITIES</b>			
Creditors - falling due within one year	14	590,654	608,982
<b>NET CURRENT ASSETS</b>		<u>73,149,200</u>	<u>57,319,544</u>
<b>Total assets plus current assets</b>		135,209,487	99,004,836
<b>NON CURRENT LIABILITIES</b>			
Creditors - falling due after more than one year	14	-	220,658
<b>NET ASSETS</b>		<u><u>135,209,487</u></u>	<u><u>98,784,178</u></u>
<b>UNRESTRICTED FUNDS</b>			
General Endowment Fund		371,909	358,577
Giving Funds			
Expendable Endowment		134,677,530	98,344,519
Income Funds		160,048	81,082
		<u><u>135,209,487</u></u>	<u><u>98,784,178</u></u>

Approved by the Trustee and authorised for issue on:

and signed on its behalf by:

Feb 12, 2021

.....  
Date

*Alexander S. Hoare*

.....  
Director

*Venetia E Hoare*

Venetia E Hoare (Feb 12, 2021 11:27 GMT)

.....  
Director

**THE MASTER CHARITABLE TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	16	31,865,423	55,864,603
<b>Cash flows from investing activities</b>			
Dividends and interest from investments	3	1,515,796	572,312
Proceeds from sale of fixed asset investments	9	28,274,714	24,624,330
Proceeds from sale of programme related investments	10	10,188	-
Purchase of fixed asset investments	9	(45,978,780)	(33,729,979)
Purchase of programme related investments	10	(50,040)	-
Purchase of tangible fixed assets	11	(25,250)	-
Proceeds from sale of currency		-	5,372,862
Purchase of currency		-	(5,364,061)
<b>Net cash (used in) investing activities</b>		<u>(16,253,373)</u>	<u>(8,524,536)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		15,612,051	47,340,067
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>57,505,850</u>	<u>10,165,783</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><b>73,117,901</b></u>	<u><b>57,505,850</b></u>

The notes on pages 10 to 20 form part of these financial statements.

**THE MASTER CHARITABLE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th SEPTEMBER 2019**

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## **1 ACCOUNTING POLICIES**

### **(a) Basis of Preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and the Charities Act 2011.

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 pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

### **(b) Fund Structure**

The General Endowment Fund is a fund which the Trustee is free to use in accordance with the charitable objects.

Giving Funds comprise those funds that Donors have donated to their Giving Fund. Whilst these funds are technically unrestricted, donors are able to request Messrs. Hoare Trustees to make payments and understand that these are not legally binding instructions. Within the Giving Funds, the expendable endowment represents those assets which are held for the longer term of the Trust, in accordance with the terms of the Declaration of Trust.

Income arising within the General Endowment Fund and Giving Funds can be used in accordance with the objects of the Trust as well as the expendable endowment, which can be spent in certain circumstances in fulfilment of the Trust's objects.

Any capital gains or losses arising on the investments held in the Expendable Endowment Fund form part of that Fund.

### **(c) Income**

All income is recognised in the Statement of Financial Activities (SOFA) when the conditions for receipt have been met, the amount is measurable and receipt is probable. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to different categories of income:

#### **Grants and Donations Receivable**

Grants and Donations are recognised in the SOFA when conditions for receipt have been complied with.

#### **Investment Income**

Interest receivable on deposit and securities is accounted for as it accrues. Dividend income receivable on securities is accounted for when received by the investment manager.

### **(d) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to the different categories of expenditure:

#### **Costs of Raising Funds**

The costs of raising funds consist of investment management and certain legal fees.

#### **Charitable Activities**

Donations payable are recognised when they are approved by the trustees and the recipient of the grant has been informed of the amount to be paid.

#### **Governance Costs**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit fees together with support costs.

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**1 ACCOUNTING POLICIES (Continued)**

**(e) Tangible Fixed Assets**

Tangible fixed assets costing more than £100 are capitalised and depreciated over their useful lives and shown in the balance sheet at cost less accumulated depreciation. Depreciation has been calculated at the rate of 10% of original cost, per year.

**(f) Investments**

Investments are stated at market value at the Balance Sheet date. The SOFA includes the net gains and losses on revaluation and disposals throughout the year.

**(g) Realised and Unrealised Gains and Losses**

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

**(h) Going concern**

The Trustee has assessed whether the use of the going concern basis is appropriate and has considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements and has considered the potential impact of the Covid-19 pandemic. In particular the Trustee has taken account of pressures investment income and the likely impact of the pandemic on investment values, as well as expenditure. The Trustee has the flexibility to draw down on the expendable endowment fund if required to support grant expenditure. After making enquiries the Trustee has concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**(i) Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income (which are not financial investments), all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 13 and 14 for the debtor and creditor notes.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investment with original maturities of three months or less.

**(k) Key Estimates and Judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2 ENDOWMENTS RECEIVED**

	<b>2019</b>	2018
	<b>£</b>	£
Cash:		
Donations received in year	49,597,314	57,787,999
Gift Aid reclaimable	1,571,315	816,146
Investments:		
Transferred into Trust at Market Value	6,302,749	7,558,355
Tangible fixed asset - Valtra A750 2 wheel drive tractor	25,250	-
	<u><b>57,496,628</b></u>	<u><b>66,162,500</b></u>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**3 INVESTMENT INCOME**

	<b>2019</b>	2018
	<b>£</b>	£
Investment income	874,889	563,137
Interest on cash deposits	272,986	9,175
Interest on loan notes	366,260	
Compensatory sum received re incorrect stock transfer	1,608	-
Income cash currency gain	53	-
	<b><u>1,515,796</u></b>	<b><u>572,312</u></b>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2019</b>	2018
	<b>£</b>	£
Hurlingham Club charity ball and auction	292,825	-
	<b><u>292,825</u></b>	<b><u>-</u></b>

**5 CHARITABLE ACTIVITIES**

The charity undertook no direct charitable activities but awarded donations to a number of institutions in furtherance of its charitable activities.

	<b>2019</b>	2018
	<b>£</b>	£
Grants made during the year	25,027,469	10,631,786
Previous years donation adjustments - UK Stem Cell Foundation part refund	-	(295,909)
- Under provision of Hod HaCamel 2nd & 3rd committed pay'ts	15,933	-
Direct programme costs	-	6,000
Support costs (see note 7)	423,444	202,043
	<b><u>25,466,846</u></b>	<b><u>10,543,920</u></b>

The total comprised grants to the following:

The prevention or relief of poverty	980,634	149,463
The advancement of education	4,015,328	2,170,356
The advancement of religion	491,191	1,557,731
The advancement of health or the saving of lives	4,545,753	1,118,847
The advancement of citizenship or community development	8,865,987	252,961
The advancement of the arts, culture, heritage or science	2,290,355	4,403,114
The advancement of amateur sport	156,980	70,090
The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity	316,000	23,500
The advancement of environmental protection or improvement	319,080	170,385
The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage	1,297,700	349,127
The advancement of animal welfare	165,600	198,782
The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services	575,319	91,454
Any other charitable purpose	1,007,542	75,976
	<b><u>25,027,469</u></b>	<b><u>10,631,786</u></b>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**5 CHARITABLE ACTIVITIES (continued)**

	<b>2019</b>
<b>Institutional Donations of £10,000 and over</b>	<b>£</b>
A Place To Call Our Own	10,000
Ace Africa (UK)	11,300
Action on Addiction	735,144
Alzheimer's Research UK	13,100
Ambition School Leadership	20,000
Amy Winehouse Foundation	22,000
Anglo-Romanian Trust For Traditional Architecture	10,000
Barbados Community Foundation	25,000
Barnardo's	10,100
Beauchamp College	50,000
Beverston PCC	12,500
Birth Companions	15,000
Bishopstone & Hinton Parva PCC	10,000
British Tinnitus Association	45,000
Bryan Adams Foundation	80,000
Bududa Learning Center	41,701
Cambridge Science Centre	20,000
Camfed International	10,000
Campaign for the Protection of Rural Wales	15,000
Cancer Research UK	52,750
CAREducation Trust	10,000
Catch 22 Charity	10,000
Charterhouse in Southwark	17,619
Chelsea and Westminster Hospital NHS Foundation Trust	1,031,187
Chichester Festival Theatre	24,000
Child Rescue Nepal	10,000
Chopin Society	20,000
Christ Church Cathedral NZ Appeal	10,000
Christopher & Dana Reeve Foundation	170,387
Community Health and Sustainable Environment	30,000
Community of the Resurrection	100,000
Cosmetic Toiletry & Pefumery Foundation	16,559
Create Streets Foundation	20,000
Crisis UK	25,500
David Shepherd Wildlife Foundation	35,000
Dedanists' Foundation	10,000
Desperate Greekies	20,000
Devon Wildlife Trust	25,000
Disasters Emergency Committee	25,600
Dogs Walk This Way Rescue	15,000
Domestic Abuse Volunteer Support Services	22,500
Donmar Warehouse	10,000
Duke of Edinburgh's Award	10,000
Ealing Foodbank	60,000
Ecology Trust	10,000
Environmental Investigation Agency	14,600
Eskadale Church Restoration Fund	123,350
Balance carried forward	3,084,898

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**5 CHARITABLE ACTIVITIES (continued)**

<b>Institutional Donations of £10,000 and over</b>	<b>2019 £</b>
Balance brought forward	3,084,898
Eton Fives Association Limited	50,000
Family Friends	21,380
Fareshare	100,000
Fegans	21,000
Fife Employment Access Trust	15,000
Fight For Peace (UK)	15,000
Five Towns Plus Hospice Fund	160,000
Flying Seagull Project	20,000
Forward Trust	470,500
Fulham Palace Trust	20,000
Future Frontiers	20,000
Gambia School Support	10,000
Glass Door Homeless Charity	20,000
Glyndebourne Productions Limited	25,000
Good Thinking Society	20,000
Governors For Schools	955,000
Great Western Air Ambulance	315,555
Greek Animal Rescue (UK)	16,000
Grief Encounter	15,000
Grit: Breakthrough Programmes	199,000
Guards' Chapel Trust	150,000
Heart & Stroke Foundation of Barbados Inc.	18,899
Heart-Based Living Initiative	50,000
Help Our Cats and Dogs of Bosnia	10,000
Highland Rugby Football Club	10,000
Hilary Craft Charitable Foundation	10,000
Hope For Tomorrow	20,000
Imperial College Trust	88,007
Institute for Cancer Vaccines and Immunotherapy	400,000
Institute of Cancer Research	65,100
Institute of Economic Affairs	22,070
Institute of Integrated Systematic Therapy	200,000
Integrated Education Fund	10,000
Jewish Museum London	10,000
Kadas Prize Foundation	681,449
Kensington & Chelsea Foundation	50,000
Kensington Trust Limited	15,000
Key4Life	13,000
Kilimanjaro Children's Foundation	33,259
Langley Academy	43,717
L'Arche	400,000
Launch It Trust	26,000
Lincolnshire Action Trust	15,000
Listening Place	50,000
Machynlleth Tabernacle Trust	81,000
Balance carried forward	8,045,833



**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**5 CHARITABLE ACTIVITIES (continued)**

<b>Institutional Donations of £10,000 and over</b>	<b>2019 £</b>
Balance brought forward	8,045,833
Magic Me	10,000
Marine Conservation Society	12,100
Mayo Clinic	42,248
Mayor's Fund for London	50,000
Meath Epilepsy Charity	22,500
Mindsong	45,000
Nailsworth Youth Club	15,640
National Gallery Trust	1,755,800
National Literacy Trust	50,000
Neurokinex Charitable Trust	145,000
Northern Ballet	20,000
Nourish Community Foodbank	18,000
OceanMind	25,000
O'Connor Gateway Trust	14,530
One Community Foundation Limited	140,500
One North East London	10,000
Pepper Foundation	50,000
Place2Be	11,380
Plan International UK	50,000
Prince of Wales's Charitable Foundation	90,000
Prince's Teaching Institute	20,000
Prince's Trust	7,785,000
Prism The Gift Fund	50,000
Ramsbury Burdett Fisher Recreation Centre	10,000
Reach Foundation	25,000
Regenerate.com	10,000
Response Community Projects (Earls Court) Limited	92,018
Rhino Ark (UK)	10,000
Royal College of Music	200,000
Royal Drawing School	25,000
Royal Foundation	461,922
Royal National Children's Springboard Foundation	10,000
Royal National Lifeboat Institution	100,120
Royal Opera House Covent Garden Foundation	12,640
Royal Osteoporosis Society	250,000
Royal Philharmonic Orchestra	10,000
Safe Families for Children	25,000
Salisbury District Hospital Charitable Fund	20,000
Save the Children UK	75,000
Serpentine Trust	27,334
SG Foundation	10,000
Shelter	50,000
Smart Works Charity	125,000
South London Cares	25,000
Spirit Aid	25,000
St Mark's Hospital Foundation	10,000
Balance carried forward	20,087,565

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**5 CHARITABLE ACTIVITIES (continued)**

	<b>2019</b>
	<b>£</b>
<b>Institutional Donations of £10,000 and over</b>	
Balance brought forward	20,087,565
St Martin-in-the-Fields Charity	40,500
St Peter's College, Oxford	10,000
Standout Programmes	10,000
Starlight Children's Foundation	51,200
Stephen Lawrence Charitable Trust	10,000
Stewardship Services Ltd	314,000
Stonebridge Boxing Club	10,000
Stowe School Foundation	350,000
Strategic Resource Group Inc.	300,000
Substance Abuse Foundation	924,846
Sutton's Hospital In Charterhouse	20,100
Synchronicity Earth	50,000
Talk About Art	27,000
Taylor Made Dreams	13,000
Teach for All	10,000
Teenage Cancer Trust	52,500
Tempus Novo	11,000
Tennis First	10,000
The Amber Trust	70,000
The BACA Charity	14,000
The Butterfly Tree	87,050
The Cares Family	76,500
The Foundation and Friends of the Royal Botanic Gardens, Kew	26,000
The Godolphin Foundation	20,000
The Isabella Blow Foundation	25,000
The Mason Foundation	20,000
The Woodland Trust	25,000
Transparency International UK	495,880
Tree Aid	55,000
Trinity Hall, Cambridge	10,000
Tusk Trust	13,000
UBS Optimus Foundation UK	100,000
University of Exeter	100,000
University of Oxford Development Trust	41,000
University of Warwick	10,000
Unseen (UK)	300,000
Vincent's Appeal Trust Company	28,000
Walled Garden Trust	19,478
Warden & Scholars of St Mary College, Winchester	29,000
Welsh National Opera	10,000
West London Zone	27,000
Whitley Fund for Nature	46,497
Winnie Mabaso Foundation	273,000
Winston's Wish	76,250
World Vasectomy Day, Inc.	20,524
Yorkshire Dales Millennium Trust	20,000
	<u>23,950,117</u>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**6 RELATED PARTY TRANSACTIONS**

	<b>2019</b>	2018
	<b>£</b>	£
Donations received from a Director of the Trustee	93,750	78,750
Donations received from other charities where Messrs. Hoare Trustees is a Trustee: The Golden Bottle Trust (Charity Commission no. 327026)	82,000	825,000
	<u><b>175,750</b></u>	<u><b>903,750</b></u>

**7 ANALYSIS OF SUPPORT COSTS**

	<b>2019</b>	2018
	<b>£</b>	£
Bank charges	190	92
Cost of printing voucher books	3,048	2,616
Miscellaneous expenses	772	225
Depreciation of tangible fixed asset	2,525	-
Legal fees	36,050	-
Administration	104,304	-

**GOVERNANCE COSTS**

Trustee Administration Fee (including VAT)	247,291	178,055
Independent Auditor's Remuneration	17,500	14,000
(Over)/Under provision of previous years audit fee	(20)	130
Legal Costs	11,784	6,925
	<u><b>423,444</b></u>	<u><b>202,043</b></u>

**INVESTMENT RELATED FEES**

Investment Management fees	115,049	90,753
Custody Fees	12,626	2,055
Enhance Investment Review Fees	950	800
	<u><b>128,625</b></u>	<u><b>93,608</b></u>

**8 REMUNERATION OF TRUSTEE**

For the year ended 30th September 2019, the Trustee charged £247,291 (2018; £178,055) for their administrative fees in accordance with the power given to them by virtue of clause 28.3 of the Declaration of Trust. No out of pocket expenses were reimbursed by the Charity.

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**9 FIXED ASSET INVESTMENTS**

Movement in fixed asset investments	<b>Listed</b>	<b>Unlisted</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	<b>2019</b>	<b>2018</b>
<b>Investments</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market Value Brought Forward	39,855,104	1,700,000	41,555,104	31,128,513
Investments gifted in	6,302,937	-	6,302,937	7,558,355
Add: Acquisition costs	39,591,381	84,462	39,675,843	26,171,624
Less: Disposal proceeds	(26,802,718)	(1,471,996)	(28,274,714)	(24,624,330)
Realised (losses)/gains on disposals	355,358	765,075	1,120,433	(438,210)
Unrealised gains:	321,734	1,166,185	1,487,919	1,759,152
<b>Market Value Carried Forward</b>	<b>59,623,796</b>	<b>2,243,726</b>	<b>61,867,522</b>	<b>41,555,104</b>
Historical cost as at 30th September 2019	<b>56,289,552</b>	<b>1,090,038</b>	<b>57,379,590</b>	<b>39,062,828</b>

The market value of investments to 30th September 2019 includes an investment of unlisted shares and unsecured loan notes in Darwin Acquisitions Limited, totalling £1.09 million that was originally purchased on the 17th March 2014.

**10 PROGRAMME RELATED INVESTMENTS**

Movement in programme related investments	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Unlisted programme related investments</b>		
Value brought forward	130,188	130,188
Adjustment to previous year - CW Renewable Energy	(188)	-
Programme related investments Acquired:		
813 Herddle Group Limited	50,040	-
Programme related investments Redeemed:		
100 Greenwich Leisure Limited 2013 5% Bond	(10,000)	-
<b>Value Carried Forward</b>	<b>170,040</b>	<b>130,188</b>
Historical cost as at 30th September 2019	<b>170,227</b>	<b>130,188</b>

All of the programme related investments were held in the United Kingdom and are unlisted. They have therefore been valued at par.

The Herddle Group Limited strives for cost efficient, socially responsible, fully intergrated, data driven property management. For responsible owner, residents and communities.

<b>Unlisted programme related investments held</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
40,000 Adoption UK Charity 5% Fixed Rate Unsecured Loan Notes 2021	40,000	40,000
25,000 CW Renewable Energy EIS Fund	25,000	25,188
100 Greenwich Leisure Limited 2013 5% Bond	-	10,000
813 Herddle Group Limited	50,040	-
10,000 London Missional Housing Bond	10,000	10,000
33.33333 Oikocredit GBP Depository Receipts	5,000	5,000
39 Relational Analytics Ordinary £1 Shares	39	39
14,961 Relational Analytics Preference Shares of £1	14,961	14,961
25,000 Relational Analytics Subordinated Loan Notes	25,000	25,000
	<b>170,040</b>	<b>130,188</b>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**11 TANGIBLE FIXED ASSETS**

	<b>2019</b>	
	Motor vehicles £	Totals £
<b>Cost</b>		
At 1st October 2018	-	-
Additions	25,250	25,250
Disposals	-	-
At 30th September 2019	<u>25,250</u>	<u>25,250</u>
<b>Depreciation</b>		
At 1st October 2018	-	-
Charge for year	2,525	2,525
Disposals	-	-
At 30th September 2019	<u>2,525</u>	<u>2,525</u>
<b>Net book value</b>		
At 30th September 2019	<u>22,725</u>	<u>22,725</u>

**12 FUND TRANSFERS**

The Trustee made a transfer £4,183 from the General Endowment Fund as well as a transfer of £24,180,978 from the Expendable Endowment Fund, totalling £24,185,161 to the Giving Fund in order to meet the level of donations as suggested by donors and in accordance with the terms under which the Giving Funds are operated.

**13 DEBTORS**

	<b>2019</b> £	2018 £
Cash due from Donors	371,150	-
Gift Aid tax reclaim	5,091	100,000
Investment income/interest due	1,036	1,897
Recoverable tax on investment income	43,305	24,777
Donations to be repaid/to be received	145,973	295,909
Other Debtors and prepayments	55,398	93
	<u><b>621,953</b></u>	<u>422,676</u>

**14 CREDITORS**

	<b>2019</b> £	2018 £
<b>Due within one year</b>		
Trustee Administration Fees	180,833	61,513
Independent Auditor's Remuneration	17,500	14,000
Investment Management Fees	28,380	27,320
Custody fees	3,923	-
Donation Committed - Exeter University (£60,000 for 2019)	-	60,000
- St Martin-in-the-Fields Trust	-	500
- Hod HaCarmel Educational Centre for Children	220,658	441,317
- University of Exeter Social Mobility Scholarships Fund	100,000	-
Other creditors	39,360	4,332
	<u><b>590,654</b></u>	<u>608,982</u>
<b>Due after one year</b>		
Donation Committed - Hod HaCarmel Educational Centre for Children	-	220,658
	<u>-</u>	<u>220,658</u>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2019**

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	-----Unrestricted Funds-----			
	General Endowment Fund 2019	Income 2019 £	Expendable Endowment 2019 £	Total Funds 2019 £
Fixed Assets				
Listed Investments	353,244	-	59,270,552	<b>59,623,796</b>
Unlisted Investments	-	-	2,243,726	<b>2,243,726</b>
Programme Related Investments	-	-	170,040	<b>170,040</b>
Tangible fixed assets	-	-	22,725	<b>22,725</b>
Current Assets				
Cash	19,811	160,048	72,938,042	<b>73,117,901</b>
Sundry Debtors	458	-	621,495	<b>621,953</b>
Creditors due within one year	(1,604)	-	(589,050)	<b>(590,654)</b>
Creditors due over one year	-	-	-	-
Total	<b>371,909</b>	<b>160,048</b>	<b>134,677,530</b>	<b>135,209,487</b>

	-----Unrestricted Funds-----			
	General Endowment Fund 2018 £	Income 2018 £	Expendable Endowment 2018 £	Total Funds 2018 £
Fixed Assets				
Listed Investments	336,326	-	39,518,778	39,855,104
Unlisted Investments	-	-	1,700,000	1,700,000
Programme Related Investments	-	-	130,188	130,188
Tangible fixed assets	-	-	-	-
Current Assets				
Cash	27,606	81,082	57,397,162	57,505,850
Sundry Debtors	-	-	422,676	422,676
Creditors due within one year	(5,355)	-	(603,627)	(608,982)
Creditors due over one year	-	-	(220,658)	(220,658)
Total	<b>358,577</b>	<b>81,082</b>	<b>98,344,519</b>	<b>98,784,178</b>

**16 RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net operating income	33,556,241	56,097,284
Investment income	(1,515,796)	(572,312)
Gains on Currency transactions	260,716	-
Depreciation	2,525	-
(Increase) in Debtors	(199,277)	(295,371)
(Decrease)/increase in Creditors	(238,986)	635,002
Net cash inflow from operating activities	<b>31,865,423</b>	<b>55,864,603</b>