

Charity number: 246255

Tallow Chandlers Benevolent Fund No 2.

Trustee's report and financial statements

for the year ended 5 April 2021

Tallow Chandlers Benevolent Fund No 2.

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Tallow Chandlers Benevolent Fund No 2.

Reference and administrative details of the Charity, its Trustee and advisers for the year ended 5 April 2021

Trustee	The Worshipful Company of Tallow Chandlers
Charity registered number	246255
Principal office	Tallow Chandlers' Hall 4 Dowgate Hill London EC4R 2SH
Independent auditors	Kreston Reeves LLP Chartered Accountants Springfield House Springfield Road Horsham West Sussex RH12 2RG
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Investment Managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB

Tallow Chandlers Benevolent Fund No 2.

Trustee's report for the year ended 5 April 2021

Introduction

The Trustee presents the Report and the audited Financial Statements for the year ended 5 April 2021. These have been prepared in accordance with the Trust Deed and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

Structure, governance, and management

The Trust was established in 1979 and is governed by a Trust Deed dated 25 September 1979.

The Master and Wardens of The Worshipful Company of Tallow Chandlers ("the Company") as advised by the Court of Assistants have the power to appoint Trustees. In 2017 the Company was appointed as the sole Trustee.

The management of the Trust is vested in the Company and its appointed Education & Charity Committee.

Management and administrative resources are provided by The Worshipful Company of Tallow Chandlers. The notional value of these support services is £136,242 (2020: £123,375).

Investment Policy

The main objectives for the charity's investment portfolio are to:

- (1) preserve the charity's reserves in real terms;
- (2) deliver a reasonable overall total return across the investment cycle;
- (3) ensure sufficient liquidity to fund the committed donations

The Trustee has a detailed Statement of Investment Policy which is regularly reviewed and communicated to the Charity's investment advisors. The Trustee ensures that the investment advisors take due account of environmental, societal, and corporate governance matters when considering investments.

Fund Raising Policy

The Charity derives its income from investments, and donations from the members of the Tallow Chandlers Company. Consequently, there is a minimal level of fundraising from third parties and therefore the charity has not signed up to a code of conduct.

Objectives and activities for the public benefit

The Trust is established for charitable purposes. It supports charities and charitable organisations that provide public benefit by providing donations, bursaries, and scholarships.

The Trust's principal aim is to provide relevant, focused support and giving for the benefit of disadvantaged young people in the Greater London area, to encourage them to succeed in life. This support is primarily provided through education. In achieving this aim, the Trust is providing public benefit and meeting its requirements of being established for charitable purposes.

The Trustee seeks to achieve an impact through a structured programme of giving and by drawing on the support of the Tallow Chandlers' Company, its members, trade links, City connections, and wider affiliations.

The Trustee regularly reviews the impact of the support given by ongoing engagement with the relevant charities and charitable organisations. Though the support of the members of the Tallow Chandlers' Company a network of links with the individual bodies has been established and each new application for support is carefully reviewed and discussed to assess the impact the requested support would have.

At the start of the year, the Trustee approved a grant and awards distribution budget of £376,429. Grants and awards disbursed during the year, excluding matched funding, additional collections and before any movements in grant commitments in the year, totalled £339,799.

The Trustee has referred to Charity Commission guidance on public benefit when reviewing aims and objectives, planning for the future, and setting grant making policy.

Tallow Chandlers Benevolent Fund No 2.

Trustee's report (continued) for the year ended 5 April 2021

Achievements and performance

Our flagship beneficiaries, which receive some of our largest annual donations and programmes of non financial support, are Greig City Academy in Haringey, Halley Academy in Greenwich and Cubitt Town Junior School in Tower Hamlets. All three schools have a high proportion of students receiving free school meals and a high proportion of students from Black and Minority Ethnic communities. The proportion of students that have English as an additional language (EAL) is also very high. The Company's donations are intended to enhance and add value and do not contribute to core costs or delivery of the standard curricula.

Our relationship with Greig City Academy (GCA) began in 2013. Our aim is to help students with their transition to university, further education, or employment. Over the last seven years, our annual donation has increased from £15,000 to £30,000, reflecting the success of the association. Annual prizes are presented to students who have excelled in STEM subjects and bursaries awarded to students who go on to university. We have facilitated university visits, held mentoring events, advised on CV writing and interview techniques, helped GCA connect with other schools and contributed to the costs of participation in international science competitions. The Trustee allocated £50,000 to support a capital project that funded a new STEM Centre which was officially opened by the Master in November 2019. The building is being used to facilitate the Academy's programme of extra curricular STEM activities such as their robotics league which supports junior schools in the local area and beyond, including Cubitt Town Junior School. During the year, the Trustee awarded two additional donations of £13,440 and £7,000. The donations enabled the Academy to purchase IT equipment for disadvantaged students so that they could be home schooled during the Covid 19 pandemic and webcams to enable remote teaching.

Support to the Halley Academy began in 2016, with the award of their first donation of £20,000. Over the last five years, our annual donation has increased to £30,000. During that time, the Trustee awarded additional donations to support projects delivered in the school by Humanutopia and For Jimmy, both registered charities which work with young people. A programme of non financial giving has been developed with the Academy and the Leigh Academies Trust (LAT) – the parent body of the Academy and continues to grow. Members of the Company participate in a wide range of mentoring/careers events including a STEM Business Mentoring Programme (currently on hold due to Covid-19), a scheme designed to raise aspirations and guide students to successful career destinations. Members also support activities such as a Careers Information Day and a Student Question Time event in addition to hosting work experience days in their own workplaces.

As reported last year, the Trustee has indicated to Halley Academy its intention to donate £750,000 for the creation of an engineering centre. This will be funded by an appeal with a target of £375,000 targeted on the members of the Tallow Chandlers Company and the Trustee has agreed to match the sum raised (capped at £375,000). Despite the impact of the pandemic the Fund-Raising activities are ongoing. Planning Permission for the centre has been obtained and the centre is scheduled to open in September 2021.

Cubitt Town Junior School was the first primary school to be awarded a three year grant by the Company in 2016. Over the last five years, our annual donation has increased from £15,000 to £30,000, and our programme of financial giving continues to grow. The Trustee awarded an additional donation of £13,469 (in 2018/19) to support the building of a running track at the School, which is used daily by both students and staff. During the year, the Trustee awarded an additional donation of £20,500 to support the implementation of a digital learning strategy at the School during the Covid-19 pandemic. The Trustee also awarded a further donation of £7,280 which supported the purchase of IT equipment for pupils with SEND. Students visit the Hall on an annual basis to attend our Education Awards Lunch and to take part in a Dragons' Den science competition. Encouraging links have been established with Greig City Academy (GCA) and Reeds School. Cubitt Town students participate in the Launch Car Challenge, an annual programme hosted by Reed's School.

City of London institutions, our associated trades, affiliated military organisations, and cadets are important parts of the Company's culture. Support within the City of London during the year included donations to the Lord Mayor's Appeal, the Sheriffs' and Recorder's Fund, the City of London School for Boys, and the City of London School for Girls. We funded bursaries at Barts and the London School of Medicine and Dentistry. The Trustee also awarded a new three-year bursary to London's Air Ambulance which will support student on their MSc in Pre-Hospital Care programme. We were unable to hold our annual competition for MBA students at Cass Business School due to the Covid-19 pandemic.

The Trustee approved 48 grants to a total of 43 organisations. In all cases, the Trustee has received appropriate acknowledgement of their award and a summary of the benefits and impact this has enabled for the public benefit.

Tallow Chandlers Benevolent Fund No 2.

Trustee's report (continued) for the year ended 5 April 2021

Achievements and performance (continued)

During the year £192,311 of grant commitments (excluding the Halley Appeal) provided for last year were paid, together with £147,488 of grant commitments entered into this year. A further £145,343 of grant commitments (excluding the Halley Appeal) were provided for this year. The overall result is a decrease in the provision of £46,968 before the Halley Appeal.

Although not supported by separately identified endowments, several small and ancient charities were paid £950 in total by standing order out of General Funds, whilst they are available.

Grant making policy

Our members make generous contributions to the Tallow Chandlers Benevolent Fund each year which, combined with the Gift Aid recoverable and an annual gift from the Company itself, go towards increasing the capital of the fund.

Each year the charity budgets to disburse an amount equal to 3.5% of the average of the last 20 quarterly valuations of the total capital of the fund. Combined with time giving by our members this enables us to make significant donations that can have real impact. This practice allows continuity of support to our carefully selected causes over a number of years, even in the event of periodic downturns in investment performance.

The charity is further protected against diminution in its capital by its practice of making commitments for a maximum of three years and reviewing each charity every three years. This would enable, in any one year, a reduction – if deemed necessary – of up to one third of our giving.

Financial review

In the year to 5 April 2021, there were net incoming resources before recognised gains and losses of £205,855 (2019: £83,017) and a net increase in total funds of £2,832,549 (2020: decrease of £1,316,647).

The value of the fixed asset investments held by the Trust increased from £8,631,122 at 6th April 2020 to £11,374,972 at the year end. This increase in value comprised acquisitions during the year of £1,184,218 less disposals of £1,361,087. The balance of £2,920,719 results from an increase in market value of investments of £2,626,735, together with an increase in cash balances of £293,984 from £30,489 at the start of the year to £324,473 at the end.

The total return target over a rolling 10-year period for the investment portfolio has been set at inflation (based on CPI) plus 4% p.a. net of fees. This implies a nominal target of 6% p.a. currently assuming the Bank of England's official 2% target for CPI inflation. For the year to 5 April 2021, the investment portfolio generated a total return of 28.8% compared to a reduction of 7% in the previous year.

Total incoming resources were £704,233 (2020: £902,178). The principal funding sources arise from donation income from the members of The Worshipful Company of Tallow Chandlers and from income generated by the fixed asset investments.

Impact of Covid 19 and other Principal Risks and Uncertainties

The Trustee has carefully considered the potential impact of Covid-19 and other potential risks and uncertainties on the charitable aims of the charity. The Grant making Policy above describes the basis of calculating the annual amount available for distribution. The underlying principle of the policy is to ensure the ongoing affordability of the commitments already made, to allow additional donations to be made where possible and where appropriate to enter into new long-term commitments even in the event of a diminution in the capital investments. The Trustee is confident due to this policy that there are sufficient resources in place to meet all its short and long term obligations. There were no other significant events during the period.

Plans for Future Periods

The Trustee will continue to approve and distribute Grants in accordance with the Grant Making Policy. In addition, The Trustee will seek to build on the successful launch of the Halley Appeal and is confident that the project will be delivered by Autumn 2021.

Tallow Chandlers Benevolent Fund No 2.

Trustee's report (continued) for the year ended 5 April 2021

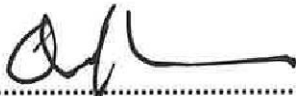
Trustee's Responsibilities Statements

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

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Approved by order of the members of the board of Trustee and signed on their behalf by:



.....
Mr O Kirby-Johnson, Master

On behalf of The Worshipful Company of Tallow Chandlers
Trustee

Date: 6 July 2021

Tallow Chandlers Benevolent Fund No 2.

Independent auditors' report to the Members of Tallow Chandlers Benevolent Fund No 2.

Opinion

We have audited the financial statements of Tallow Chandlers Benevolent Fund No 2. (the 'charity') for the year ended 5 April 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 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 Auditors' responsibilities for the audit of the 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Tallow Chandlers Benevolent Fund No 2.

Independent auditors' report to the Members of Tallow Chandlers Benevolent Fund No 2. (continued)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 require for our audit.

Responsibilities of trustees

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 has no realistic alternative but to do so.

Tallow Chandlers Benevolent Fund No 2.

Independent auditors' report to the Members of Tallow Chandlers Benevolent Fund No 2. (continued)

Auditors' 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 the Act and relevant regulations made or having effect thereunder.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the Trustee and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to (examples of risks might include: posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the charity engagement team and included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Tallow Chandlers Benevolent Fund No 2.

Independent auditors' report to the Members of Tallow Chandlers Benevolent Fund No 2. (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 purpose of expressing an opinion of 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 auditors' 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 auditors' 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.

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.

Tallow Chandlers Benevolent Fund No 2.

Independent auditors' report to the Members of Tallow Chandlers Benevolent Fund No 2. (continued)

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Date: 12/12/2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Tallow Chandlers Benevolent Fund No 2.

Statement of financial activities for the year ended 5 April 2021

	Note	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies		49,062	343,435	392,497	572,621
Investments	5	-	311,736	311,736	329,557
Total income		49,062	655,171	704,233	902,178
Expenditure on:					
Raising funds		-	32,213	32,213	42,057
Charitable activities	8	49,062	417,103	466,165	777,104
Total expenditure		49,062	449,316	498,378	819,161
Net income before net gains/(losses) on investments		-	205,855	205,855	83,017
Net gains/(losses) on investments		-	2,626,694	2,626,694	(1,399,664)
Net movement in funds		-	2,832,549	2,832,549	(1,316,647)
Reconciliation of funds:					
Total funds brought forward		2,840	8,651,607	8,654,447	9,971,094
Net movement in funds		-	2,832,549	2,832,549	(1,316,647)
Total funds carried forward		2,840	11,484,156	11,486,996	8,654,447

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 29 form part of these financial statements.

Tallow Chandlers Benevolent Fund No 2.

Balance sheet as at 5 April 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	12	11,374,972	8,631,122
		<u>11,374,972</u>	<u>8,631,122</u>
Current assets			
Debtors	13	220,045	219,147
Cash at bank and in hand		414,842	324,227
		<u>634,887</u>	<u>543,374</u>
Creditors: amounts falling due within one year	14	(452,038)	(419,553)
Net current assets		<u>182,849</u>	<u>123,821</u>
Total assets less current liabilities		<u>11,557,821</u>	<u>8,754,943</u>
Creditors: amounts falling due after more than one year	15	(70,825)	(100,496)
Net assets excluding pension asset		<u>11,486,996</u>	<u>8,654,447</u>
Total net assets		<u><u>11,486,996</u></u>	<u><u>8,654,447</u></u>
Charity funds			
Restricted funds	17	2,840	2,840
Unrestricted funds	17	11,484,156	8,651,607
Total funds		<u><u>11,486,996</u></u>	<u><u>8,654,447</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



.....
Mr O Kirby-Johnson, Master

On behalf of The Worshipful Company of Tallow Chandlers

Date: 6 July 2021

The notes on pages 14 to 29 form part of these financial statements.

Tallow Chandlers Benevolent Fund No 2.

**Statement of cash flows
for the year ended 5 April 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(104,006)	(141,832)
Cash flows from investing activities		
Dividends, interests and rents from investments	311,736	329,557
Proceeds from sale of investments	1,361,087	727,291
Purchase of investments	(1,184,218)	(880,335)
Net cash provided by investing activities	488,605	176,513
Change in cash and cash equivalents in the year	384,599	34,681
Cash and cash equivalents at the beginning of the year	354,716	320,035
Cash and cash equivalents at the end of the year	739,315	354,716

The notes on pages 14 to 29 form part of these financial statements

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

1. General information

Tallow Chandlers Benevolent Fund No 2. constitutes a public benefit entity as defined by FRS 102. It's registered charity number is 246255.

The financial statements have been prepared in sterling, which is the functional currency of the charity, and rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Tallow Chandlers Benevolent Fund No 2. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustee believes that no material uncertainties exist. The Trustee has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficiently within the level of reserves for the charity to be able to continue as a going concern.

The Trustee has specifically considered the potential impact of Covid-19 on the charity's ability to continue to meet its charitable aims. Each year the charity budgets to disburse an amount equal to 3.5% of the average of the last 20 quarterly valuations of the total capital of the fund. This practice allows continuity of support to our carefully selected causes over a number of years, even in the event of a downturn in investment performance due to the impact of Covid-19. The underlying principle of the policy is to ensure the ongoing affordability of the commitments already made, to allow additional donations to be made where possible and where appropriate to enter into new long term commitments even in the event of a diminution in the capital investments. The Trustee is confident due to this policy that there are sufficient resources in place to meet all of its short and long-term obligations.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and that the amount of the obligation can be reliably measured.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and consists of investment management costs and an apportionment of support costs.

Charitable activities and Governance costs consist of grants and donations made and an apportionment of support costs.

Grants and donations payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient has been notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grant. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust.

Where an unconditional multi-year grant is awarded the full amount of the grant is recognised in the year of the award. The proportion of any multi-year grant unpaid at the year end is recognised as a liability on the balance sheet at its present value.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.10 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.11 Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed above in Note 2 "Accounting policies".

4. Income from donations and legacies

	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £
Donations from Liverymen and Freemen (including tax recoveries)	-	119,393	119,393
Other donations	24,531	37,800	62,331
Donation from The Worshipful Company of Tallow Chandlers	24,531	186,242	210,773
	<u>49,062</u>	<u>343,435</u>	<u>392,497</u>
	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Donations			
Donations from Liverymen and Freemen (including tax recoveries)	-	119,919	119,919
Other donations	106,391	46,545	152,936
Donation from The Worshipful Company of Tallow Chandlers	116,391	173,375	289,766
Total donations	<u>222,782</u>	<u>339,839</u>	<u>562,621</u>
Legacies	10,000	-	10,000
	<u>232,782</u>	<u>339,839</u>	<u>572,621</u>

Within designated income is a notional donation in kind of £136,242 (2020 - £123,375) which represents the value of the expenditure borne by The Worshipful Company of Tallow Chandlers in providing support services to the Tallow Chandlers Benevolent Fund No 2.

Tallow Chandlers Benevolent Fund No 2.

**Notes to the financial statements
for the year ended 5 April 2021**

5. Investment income

	Designated funds 2021 £	Total funds 2021 £
Dividends	293,754	293,754
Interest	17,982	17,982
Total 2021	311,736	311,736
	Designated funds 2020 £	Total funds 2020 £
Dividends	309,487	309,487
Interest	20,070	20,070
Total 2020	329,557	329,557

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

6. Expenditure on raising funds

	Designated funds 2021 £	Total funds 2021 £
Investment management costs	12,689	12,689
Support costs - raising funds	19,524	19,524
Total 2021	32,213	32,213

	Designated funds 2020 £	Total funds 2020 £
Investment management costs	22,372	22,372
Support costs - raising funds	19,685	19,685
Total 2020	42,057	42,057

Analysis of support costs

	Designated funds 2021 £	Total funds 2021 £
Staff costs	13,860	13,860
Office costs	2,522	2,522
Premises costs	3,017	3,017
Professional costs	125	125
Total 2021	19,524	19,524

	Designated funds 2020 £	Total funds 2020 £
Staff costs	12,252	12,252
Office costs	3,188	3,188
Premises costs	4,032	4,032
Professional costs	213	213
Total 2020	19,685	19,685

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

7. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grant funding	341,893	341,893

	Grants to Institutions 2020 £	Total funds 2020 £
Grant funding	666,863	666,863

Analysis of grants

	Designated funds 2021 £	Total funds 2021 £
Grants paid to institutions in the current year	328,756	328,756
Awards	10,093	10,093
Payments to institutions supporting the poor and pensioners connected with the Tallow Trade	950	950
Movement in grant creditor	2,094	2,094
Total 2021	341,893	341,893

	Deignated funds 2020 £	Total funds 2020 £
Grants paid to institutions in the current year	424,981	424,981
Awards	7,793	7,793
Payments to institutions supporting the poor and pensioners connected with the Tallow Trade	700	700
Movement in grant creditor	233,389	233,389
Total 2020	666,863	666,863

All grants are to institutions and are for the same charitable purpose as defined by the objectives and activities in the Trustee's Report.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

Analysis of grants (continued)

The following institutions received grants of £1,000 or more:

	Grants to Institutions 2021 £	Total funds 2021 £
Cubitt Town Junior School	57,780	57,780
Greig City Academy	50,440	50,440
The Halley Academy	30,000	30,000
Bart's & Royal London School of Medicine	17,500	17,500
Treloar Trust	15,000	15,000
Friends of St Paul's Cathedral	11,261	11,261
Federation of London Youth Clubs	10,000	10,000
City & Guilds	10,000	10,000
Into University	10,000	10,000
London Wildlife Trust	10,000	10,000
SOAS (SOAS and MW Beer Scholarship)	10,000	10,000
City of London School for Girls	8,000	8,000
Guildhall School Trust	8,000	8,000
City of London School for Boys	7,500	7,500
Reed's School	6,000	6,000
The Poppy Factory	6,000	6,000
City of London Volunteer Police Cadets	5,350	5,350
Bankside Open Spaces	5,000	5,000
Batemans Trust	5,000	5,000
King Edwards School	5,000	5,000
London Youth Support Trust - Launch It	5,000	5,000
Lord Mayors Appeal	5,000	5,000
London's Air Ambulance	4,425	4,425
Clean Break	4,000	4,000
Cherry Trees	3,000	3,000
London Youth Choir	3,000	3,000
Talent Ed	3,000	3,000
The Creative Dimension	3,000	3,000
London Symphony Orchester	2,500	2,500
Southwark Sea Cadets	2,500	2,500
Innovations for Learning	2,000	2,000
Platform Cricket TH Youth Support	2,000	2,000
Sheriff's and Recorders Fund	1,500	1,500
	328,756	328,756

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £
Grant funding	49,062	410,323	459,385
Governance costs	-	6,780	6,780
Total 2021	49,062	417,103	466,165
	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Grant funding	232,782	538,562	771,344
Governance costs	-	5,760	5,760
Total 2020	232,782	544,322	777,104

Grant funding of £459,385 (2020: £771,344) includes grants paid as per note 7 of £341,893 (2020 - £666,863) and support costs allocated as per note 9 of £117,492 (2020 - £104,481).

9. Analysis of expenditure by activities

	Grant funding 2021 £	Support costs 2021 £	Total funds 2021 £
Grant funding	341,893	117,492	459,385
Governance costs	-	6,780	6,780
Total 2021	341,893	124,272	466,165

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

9. Analysis of expenditure by activities (continued)

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Grant funding	666,863	104,481	771,344
Governance costs	-	5,760	5,760
Total 2020	666,863	110,241	777,104

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	104,768	87,767
Office costs	2,523	3,189
Premises costs	9,052	12,096
Other costs	774	791
Professional costs	375	638
Governance costs	6,780	5,760
Total 2021	124,272	110,241

Allocation of support costs:

- Staff costs incurred by The Worshipful Company of Tallow Chandlers have been allocated based on the time spent on each activity. The cost of the charity secretary employed by the Company has been fully allocated to grant funding activities. The remaining costs have been allocated with 75% relating to grant funding activities and 25% relating to time spent raising funds.
- The office is owned by the Company and used by staff employed in the Company. The office costs incurred are for the purpose of both grant funding activities and raising funds. Costs have therefore been allocated equally to these activities.
- Premises costs relate to the maintenance of the Hall and office which are owned by the Company. The Trust only use the Hall for award functions and other charitable occasions whilst the office is used by the Company staff for both the purpose of grant funding activities and raising funds. Premises costs have been allocated with 75% relating to grant funding activities and 25% relating to raising funds.
- Other costs relate to the award functions that are held in the Hall which is owned by the Company. The award functions relate wholly to grant funding activities and have therefore been attributed in this way.
- Professional costs relate to the pension management and payroll costs incurred by the Company for their staff. These have been allocated with 75% relating to grant funding activities and 25% relating to raising funds. This treatment is consistent with the treatment of staff costs.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,120	5,100
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	660	660

11. Trustee's remuneration and expenses

During the year, no Trustee received any remuneration or other benefits (2020 - £NIL).

During the year no Trustee received a reimbursement of expenses (2020 - £NIL).

12. Fixed asset investments

	Listed investments £	Cash for re- investment £	Total £
Cost or valuation			
At 6 April 2020	8,600,633	30,489	8,631,122
Additions	1,184,218	-	1,184,218
Disposals	(1,361,087)	-	(1,361,087)
Revaluations	2,626,735	293,984	2,920,719
At 5 April 2021	11,050,499	324,473	11,374,972

Included within the revaluation gain on listed investments are realised gains of £52,727 (2020 - £176,476).

13. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	213,111	194,749
Tax recoverable (gift aid)	6,934	24,398
	220,045	219,147

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	7,680	6,960
Grant commitments	444,358	412,593
	<u>452,038</u>	<u>419,553</u>

15. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Grant commitments	<u>70,825</u>	<u>100,496</u>

16. Accrued funding commitments

	Under 1 year 2021 £	Over 1 year 2021 £	Total funds 2021 £
Grant commitments brought forward	412,593	100,496	513,089
New commitments entered into in year	208,150	133,743	341,893
Grants paid during year	(339,799)	-	(339,799)
Total 2021	<u>444,358</u>	<u>70,825</u>	<u>515,183</u>

	Under 1 year 2020 £	Over 1 year 2020 £	Total funds 2020 £
Grant commitments brought forward	200,350	79,350	279,700
New commitments entered into in year	566,367	100,496	666,863
Grants paid during year	(433,474)	-	(433,474)
Commitments now due within one year	79,350	(79,350)	-
Total 2020	<u>412,593</u>	<u>100,496</u>	<u>513,089</u>

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

17. Statement of funds

Statement of funds - current year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
Unrestricted funds					
Designated funds	8,651,607	655,171	(449,316)	2,626,694	11,484,156
Restricted funds					
Restricted fund - FOSFA	2,840	-	-	-	2,840
Restricted fund - The Halley Academy	-	49,062	(49,062)	-	-
	<u>2,840</u>	<u>49,062</u>	<u>(49,062)</u>	<u>-</u>	<u>2,840</u>
Total of funds	<u>8,654,447</u>	<u>704,233</u>	<u>(498,378)</u>	<u>2,626,694</u>	<u>11,486,996</u>

Statement of funds - prior year

	Balance at 6 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2020 £
Unrestricted funds					
Designated funds	9,968,254	669,396	(586,379)	(1,399,664)	8,651,607
Restricted funds					
Restricted fund - FOSFA	2,840	-	-	-	2,840
Restricted fund - The Halley Academy	-	232,782	(232,782)	-	-
	<u>2,840</u>	<u>232,782</u>	<u>(232,782)</u>	<u>-</u>	<u>2,840</u>
Total of funds	<u>9,971,094</u>	<u>902,178</u>	<u>(819,161)</u>	<u>(1,399,664)</u>	<u>8,654,447</u>

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

18. Summary of funds

Summary of funds - current year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
Designated funds	8,651,607	655,171	(449,316)	2,626,694	11,484,156
Restricted funds	2,840	49,062	(49,062)	-	2,840
	<u>8,654,447</u>	<u>704,233</u>	<u>(498,378)</u>	<u>2,626,694</u>	<u>11,486,996</u>

Summary of funds - prior year

	Balance at 6 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2020 £
Designated funds	9,968,254	669,396	(586,379)	(1,399,664)	8,651,607
Restricted funds	2,840	232,782	(232,782)	-	2,840
	<u>9,971,094</u>	<u>902,178</u>	<u>(819,161)</u>	<u>(1,399,664)</u>	<u>8,654,447</u>

Fund descriptions

a) Designated funds

The designated fund derives from the charitable receipts, tax recoveries and other support from the Company and from its Members, which are treated as capital to be invested. Any capital or income not required for the immediate charitable purposes of the Trust is reinvested by the Trustee.

b) Restricted funds

- FOSFA - the restricted fund derives from charitable receipts from FOSFA which are to be granted as and when an appropriate candidate for the FOSFA award is nominated.

- The Halley Academy - the restricted fund derives from charitable receipts from donors, including matched funding from The Worshipful Company of Tallow Chandlers, which have been specifically donated in response to the The Halley Academy appeal. The intention of the monies raised from the appeal is to fund the construction and establishment of an engineering and design centre. Income of £19,625 (2020 - £104,641) was received from members of the Company during the year. Gift aid of £4,906 (2020 - £11,750) is recoverable on this income and is included in tax recoveries within debtors. The remaining income of £24,531 (2020 - £116,391) is the matched funding due from the Company, of which £Nil (2020 - £10,000) was received in the year and the remaining £130,922 (2020 - £106,391) is included within debtors. During the year £Nil (2020 - £20,000) was paid to The Halley Academy, and the remaining £261,844 (2020 - £212,782) is included within the grant commitment creditor.

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Designated funds 2021 £	Total funds 2021 £
Fixed asset investments	-	11,374,972	11,374,972
Current assets	264,684	370,203	634,887
Creditors due within one year	(261,844)	(190,194)	(452,038)
Creditors due in more than one year	-	(70,825)	(70,825)
Total	2,840	11,484,156	11,486,996

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Fixed asset investments	-	8,631,122	8,631,122
Current assets	215,622	327,752	543,374
Creditors due within one year	(212,782)	(206,771)	(419,553)
Creditors due in more than one year	-	(100,496)	(100,496)
Total	2,840	8,651,607	8,654,447

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	2,832,549	(1,316,647)
Adjustments for:		
Gains/(losses) on investments	(2,626,735)	1,401,798
Dividends, interests and rents from investments	(311,736)	(329,557)
Increase in debtors	(898)	(130,815)
Increase in creditors	2,814	233,389
Net cash used in operating activities	(104,006)	(141,832)

Tallow Chandlers Benevolent Fund No 2.

Notes to the financial statements for the year ended 5 April 2021

21. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	414,842	324,227
Investment cash	324,473	30,489
Total cash and cash equivalents	739,315	354,716

22. Analysis of changes in net debt

	At 6 April 2020	Cash flows	At 5 April 2021
	£	£	£
Cash in hand	324,227	90,615	414,842
	324,227	90,615	414,842

23. Related party transactions

The Worshipful Company of Tallow Chandlers
Trustee

During the year the charity received a notional donation in kind of £136,242 (2020 - £123,375) which represents the value of the expenditure borne by The Worshipful Company of Tallow Chandlers in providing support services to the Tallow Chandlers Benevolent Fund No 2.

Total donation income received by the charity in the year, including the above notional donation, amounted to £210,773 (2020 - £289,766).

At the balance sheet date the amount due to the charity from The Worshipful Company of Tallow Chandlers was £180,922 (2020: £156,391).