

THE SILVERSMITHS AND JEWELLERS CHARITY
REPORT OF THE COUNCIL AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Company No. 518834
Registered Charity No. 205785

The Silversmiths and Jewellers Charity

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The Silversmiths and Jewellers Charity

Reference and Administrative Details

Patron	HRH Princess Michael of Kent
Council (i.e. Trustees)	C Ian H Morton (Chairman) – <i>Retired</i> Grant G Macdonald – <i>Grant Macdonald (Silversmiths) Ltd</i> John M Bowles– <i>J B Fairway Presentations Ltd</i> Robert W J Preece – <i>The Goldsmiths' Company Charity</i> – <i>Director of Finance</i> Mrs Victoria E Cox – <i>Cox & Power – Retired</i> Richard Jarvis – <i>Richard Jarvis of Pall Mall</i> David A Marshall – <i>David Marshall London (Jeweller) Ltd</i> Ms Zoë Hill – <i>Retired</i> Antony Vanderpump – <i>Sterling Creations</i> Ian Thomson – <i>Retired</i> Sally Jones – <i>Johnson Matthey PLC</i> Gary Williams – <i>Presman Mastermelt</i> Kerry Gregory – <i>Gemmology Rocks</i>
Secretary	Julie Griffin
Company Number	518834
Charity Number	205785
Principal and Registered Office	P O Box 61660 London SE9 9AN
Auditors	Azets Audit Services 2 nd Floor, Regis House 45 King William Street London EC4R 9AN
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Charles, Russell, Speechlys 6 New Street Square London EC4A 3LX
Investment Managers	J M Finn & Co 4 Coleman Street London EC2R 5TA

The Silversmiths and Jewellers Charity

Report of The Council

The Council submit their Annual Report, together with the Statement of Financial Activities, Income and Expenditure Account, Balance Sheet and accompanying notes for the year ended 31 December 2020.

Structure, Governance and Management

The Charity's objects and regulations are set out under a Memorandum and Articles of Association dated 20 April 1953 and subsequently amended. Under that document the Charity is constituted as a company limited by guarantee not having a share capital. However, the Charity originated in 1827 when, with the support of The Goldsmiths' Company, a charitable institution for goldsmiths and silversmiths was established under the patronage of King George IV. There were other small charitable Trade institutions that came into existence later during the 19th century, such as The Silver Trade Pension Society. These organisations amalgamated to form one all-embracing Charity in 1953 under the title The Goldsmiths', Silversmiths' and Jewellers' Benevolent Society. On 1 January 2005 the name was changed to The Silversmiths and Jewellers Charity.

Council Members and Management

The Council acts as Corporate Trustee to the Charity. Council members, who are directors for the purposes of company law, are elected by existing members, but two of their number are appointed by The Goldsmiths' Company Charity as stipulated in the Articles of Association.

Details of members of the Council as at 31 March 2021 appear on the Reference and Administrative Details page. In January 2020 Kerry Gregory was appointed to the Council.

The Council met virtually, due to the pandemic via Zoom, three times during the year: in April, July and November. At the April meeting all the existing grantees were formally ratified for the year. It was not found necessary for the Executive Committee to meet.

There is a process of induction for new Council members which includes meeting with current members and the provision of key information.

The Charity is organised so that the Council of Trustees or, in matters of urgency, the Chairman manages the ordinary business. The Secretary carries out the day to day administration of the Charity.

Dinner/Golf Committee

The Committee undertakes the organisation of the Charity's chief annual fund raising event. Committee members in 2020 were:

C I H Morton (Chairman)	R Jarvis	S Westerman
J M Bowles	S Loxton	M Griffin
A Vanderpump	J Surtees	G Burton
K Gregory	J Bell	

Annual General Meeting

The Annual General meeting of the Charity took place on 21st July 2020. Four members of the Council were due to retire in accordance with the Articles of Association. These were: John Bowles, Richard Jarvis, Ian Thomson and Antony Vanderpump. They were all duly re-elected.

C I H Morton was re-elected as Chairman and G G Macdonald was re-elected as Vice-Chairman.

The Silversmiths and Jewellers Charity

Report of The Council

Risk Management

The Council continues to keep under review the potential major risks facing the charity and is satisfied that appropriate systems have been established whereby the Chairman is regularly updated so that any necessary steps may be taken to mitigate those risks. Contingency plans are in place in the event of the Charity's secretary being incapacitated for any length of time. Investment funds are managed on behalf of the Charity by a reputable third party with whom frequent liaison is undertaken by the Secretary and the portfolio performance is regularly monitored by the Council. A copy of the Risk Assessment Policy document, approved by the Council, is available for inspection to any interested parties.

Objectives and Activities

The Charity is a trade Charity. The objects of the Charity are to apply the capital and income of the charitable funds for the purpose of providing financial relief in the case of need, hardship or infirmity to persons who are or have been employed in all sectors of the silversmithing and jewellery trade and the widows/widowers of such persons.

There is no longer term objective which differs from the main objects. The Charity's strategy for the achievement of these objectives is to generate sufficient income from investments, donations and special events so as to cover annual grantee commitments and governance costs.

Reserves Policy

It is the policy of the Charity to maintain unrestricted funds which have been generated from investment activities in fixed assets (the 'income fund') at a level which equates to approximately six to nine months of unrestricted expenditure. This is intended to provide sufficient funds to cover administration and support costs and to respond to emergency applications or other contingencies which arise from time to time. Income funds were maintained at this level throughout the year. The Council confirms that the funds of the Charity will enable it to meet its current commitments for the next twelve months. The Charity plans to continue operating on similar lines to those set out in this Report and to continue supporting a similar pattern of charitable expenditure for the foreseeable future subject to availability of funds.

Investment Policy

There are no restrictions on the Charity's power to invest. The unrestricted funds may be invested in any type of investment.

The aim of the Council in its investment policy remains long-term stability and growth while at the same time generating sufficient income to meet the Charity's grantee commitments and administrative costs. Following the advice of its investment manager the Charity continued its policy of maintaining a high proportion of its portfolio in the UK equity market.

Grant Making Policy

Applications

Applications for assistance are considered on their merits and grants are awarded at the discretion of the Council or of the Chairman whose decision then has to be ratified by the Council at the next following Council meeting.

During the year 9 ordinary applications for assistance were received. The majority were either ineligible or referred to other charities, 3 'one-off' payments were agreed, and 2 new candidates were accepted by the Council.

At the close of the year the Charity had 51 grantees.

The Silversmiths and Jewellers Charity

Report of The Council

Payments to Grantees'

During the year the Charity distributed £132,950 (2019: £128,562) in cash grants and special need payments. The payments are made monthly. In addition, a summer gift of £200 was paid and a Christmas gift of £300. Christmas hampers were also sent to grantees.

New Hardship Fund

A new Hardship Fund was set up to help those suffering hardship because of the pandemic. One-off payments were offered; all applications were reviewed by the Secretary and a small sub-committee of Trustees. Updates were made to the website to accommodate the influx of applications. We are grateful to The Goldsmiths' Company Charity and Presman Mastermelt for their generous donations totalling £75,000. During the year the Charity distributed £60,000 in cash grants.

Deaths

During the year 4 grantees died.

Achievements and Financial Review

Investment Performance

As at 31 December 2020 the Market Value of the Charity's investments was £2,237,146 (2019: £2,301,410). The Council and the Charity's investment advisers regularly monitored the performance of the portfolio in the light of the global recession. Overall the value of the portfolio has decreased by 2.8%. Taking all into consideration the Council was satisfied that the Charity's investment advisers had taken all appropriate action available to them to safeguard the Charity's assets.

The composition of the investment portfolio at 31 December 2020 was as follows:

	£	%
Fixed Income	193,997	8.68
UK Equities	812,423	36.31
Equity Funds & Overseas Equities	727,523	32.52
Alternatives	503,203	22.49
	<u>£2,237,146</u>	<u>100.00</u>

Cash deposits held by the investment advisers totalled £69,342 as at 31 December 2020.

Incoming Resources

Donations and subscriptions received from the trade during the year amounted to £4,296 (2019: £7,476). Subscriptions are now negligible. The serious decline in financial support from the trade, which generally ignores its appeals for funds, continues to be a cause of concern to the Charity. The Council is organising new fund raising activities, and hoping to raise the profile of the Charity and awareness of its work from a greatly changed trade to something approaching its former level. The income from listed investments was £65,149 (2019: £82,118).

Interest receivable amounted to £61 (2019: £134). To this may be added the proceeds from the Charity Dinner and fundraising events. This gives a total gross income for the year of £95,090 (2019: £172,948). Against this are amounts totalling £34,966 (2019: £73,446) relating to costs in generating the income, covering expenditure on the Charity Dinner and fundraising events and investment management fees. This leaves a net income available for charitable activities for the year of £60,124 (2019: £99,502).

The Silversmiths and Jewellers Charity

Report of The Council

Charitable Expenditure

Payments to grantees' totalled £132,950 (2019: £128,562) to which is added staff and other direct expenditure, to give resources expended on charitable activities of £162,477 (2019: £155,177). The Charity's administrative and governance costs for the year were £4,420 (2019: £4,200).

Appreciation

Sadly all events were cancelled because of the pandemic. Despite this, The Council wishes to place on record its appreciation to all those who have generously assisted the Charity in the past year, whether in financial contributions or the giving of their time.

The Council is especially indebted to The Goldsmiths' Company and Presman Mastermelt for their support. Warm thanks are due to all who gave donations, their names are recorded on the attached schedule.

Statement of Council Members' Responsibilities

The members of the Council, as trustees (who are also directors of the Silversmiths and Jewellers Charity for the purposes of Company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the members of the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements the members of the Council are 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to assume the Charity will continue in business.

The members of the Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the members of the Council are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Silversmiths and Jewellers Charity

Report of The Council

Auditors

The retiring auditors, Azets Audit Services, have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the next Annual General meeting.

This report was approved by the Council on 5 July 2021 taking advantage of special provisions applicable to small companies conferred by Part 15 of the Companies Act 2006.

Council Member/Director

On behalf of the Council



Company number: 518834

Charity number: 205785

The Silversmiths and Jewellers Charity

**Donations and Subscriptions (including sponsors of the Charity Dinner and Golf Day)
For the year ended 31 December 2020**

A Bedford
R Belloc-Lowndes
J Bourdon-Smith

M Callaghan
Cornell & Sons
Victoria Cox

A Eley

The Goldsmiths' Company Charity

Hancocks & Co

R Malins
J Mitchell
Bisley H Munt & Sons

T O'Donoghue

Presman Mastermelt
J Polk
M Pugh

Richemont International

Clare Street

The Silversmiths and Jewellers Charity

Independent Auditors' Report To The Members

Opinion

We have audited the financial statements of The Silversmiths and Jewellers Charity (the 'charitable company') for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company 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

In auditing the financial statements, we have concluded that the trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Council, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

The Silversmiths and Jewellers Charity

Independent Auditors' Report To The Members

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company 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 require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company 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 145 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

The Silversmiths and Jewellers Charity

Independent Auditors' Report To The Members

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of **Azets Audit Services**
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London EC4R 9AN

Date: *5 July 2021*

The Silversmiths and Jewellers Charity

Statement of Financial Activities For the Year Ended 31 December 2020

	Notes	Unrestricted Funds £	2020 Restricted Funds £	Total £	2019 Unrestricted Funds £
Incoming from					
Donations	2	29,296	75,000	104,296	7,476
Other trading activities	3	584	-	584	83,220
Investments	4	65,210	-	65,210	82,252
Total incoming		95,090	75,000	170,090	172,948
Expenditure on:					
Raising funds	6	34,966	-	34,966	73,446
Charitable activities	5	166,897	61,033	227,930	159,377
Total expenditure	5	201,863	61,033	262,896	232,823
Net outgoing resources before other recognised gains and losses		(106,773)	13,967	(92,806)	(59,875)
Other recognised gains and losses:					
Realised and unrealised gains (losses) on investment assets	11	22,151	-	22,151	348,273
Net movement in funds		(84,622)	13,967	(70,655)	288,398
Fund balances brought forward 1 January 2020		2,465,709	-	2,465,709	2,177,311
Fund balances carried forward 31 December 2020	14	£2,381,087	£13,967	£2,395,054	£2,465,709

All the figures included in the Statement of Financial Activities derive from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 13 to 19 form part of the Financial Statements.


The Silversmiths and Jewellers Charity

Balance Sheet As at 31 December 2020

	Note	£	2020	£	£	2019	£
Fixed Assets							
Tangible assets	10			928			975
Investments	11			2,237,146			2,301,410
				<u>2,238,074</u>			<u>2,302,385</u>
Current Assets							
Debtors	12	1,176			5,682		
Investment – bank balances with Investment Managers		69,343			19,400		
Cash at bank and in hand		93,314			144,904		
		<u>163,833</u>			<u>169,986</u>		
Creditors: Amounts falling due within one year	13	(6,853)			(6,662)		
Net Current Assets				156,980			163,324
Net Assets				<u>£2,395,054</u>			<u>£2,465,709</u>
Represented by:							
Restricted funds	14			13,967			-
Unrestricted funds	14			2,381,087			2,465,709
				<u>£2,395,054</u>			<u>£2,465,709</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council on 5 July 2021 and signed on their behalf by:



Council Member/Director



Secretary

The notes on pages 13 to 19 form part of these Financial Statements.

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

1.1 Company Status

The Charity is incorporated as a company limited by guarantee and does not therefore have a Share Capital. The maximum liability of each member is £1. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 3.

1.2 Directors

All references to "Members of the Council" in these Financial Statements should be construed as relating to the equivalent of directors of a company for the purposes of Companies Act requirements.

1.3 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.4 Going Concern

The Trustees have considered the potential impact of the COVID-19 virus on the future viability of the Charity. Since the end of March 2020 the Charity has had to cancel or postpone a number of its key fundraising events and as a result its income for the next twelve months is likely to be significantly reduced.

At the date of approval of these financial statements, the full impact on the Charity cannot be quantified but the Trustees continue to take all available steps to maintain sufficient resources in order that the Charity can continue as a going concern and meet the needs of its beneficiaries and creditors.

Consequently, the Trustees have a reasonable expectation that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

1.5 Office Equipment

Additions to office equipment are written off to the Income and Expenditure Account in the year in which they are incurred unless the amounts involved are material, in which case they are capitalised and depreciated over 3 years straight line.

1.6 Investment Assets

Investment assets are included in the Financial Statements at their market value or estimate thereof. Investments which mature or are to be realised within twelve months are categorised as current assets.

All gains and losses on investments, both realised and unrealised are recognised in the Statement of Financial Activities and are transferred to the Capital Account in order to preserve the long term capital of the Charity.

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.7 Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income includes income from The Goldsmiths' Company Charity, donations and legacies. Income from subscriptions and donations is accounted for when receivable and include recoverable tax credits during the year from Gift Aid schemes. Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified with reasonable certainty.
- Activities for generating funds includes income from special events, such as the annual dinner, accounted for on a receivable basis.
- Income from listed investments is accounted for in the year in which the Charity is entitled to receipt and includes the relevant transitional relief to the extent that such tax is recoverable.

1.8 Resources Expended

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Grants payable are accounted for when the Charity is committed to paying them and legally binding commitments are included as liabilities. Where promises of financial support have been given but such offers are conditional or discretionary, such grants are recognised as expenditure when any conditions have been met or the decision has been taken to make payment.
- Governance costs include those incurred in the governance of the Charity and are primarily associated with constitutional and statutory requirements.
- Costs are allocated between cost categories according to the nature of the cost. Where items involve more than one category they are apportioned between the categories according to the nature of the cost. Detailed analysis of the allocation of costs is given in note 5 below.

1.9 Funds Accounting

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

1.10 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

1.12 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements 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.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the office equipment, and note 1.5 for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.13 Pension costs

The Charity operates a defined contribution pension scheme. Contributions payable to the Charity's pension scheme are charged to Statement of Financial Activities in the period to which they relate.

2. Income from donations

	2020 £	2019 £
The Goldsmiths' Company Charity	50,000	-
Presman Mastermelt	50,000	-
Donations	4,296	7,476
	£104,296	£7,476

3. Income from other trading activities

Income from special events	584	83,220
	£584	£83,220

4. Investment Income

Dividends and interest from listed securities	65,149	82,118
Bank and other interest receivable	61	134
	£65,210	£82,252

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

5.	Analysis of expenditure	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
	Raising funds	16,874	18,092	34,966	73,446
	Charitable activities:				
	Grants and other costs	192,950	34,980	227,930	159,377
	Total resources expended	£209,824	£53,072	£262,896	£232,823

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent, per capita or floor area.

Analysis of Grants

These comprise:

- Monthly payments together with summer and Christmas gift payments to grantees.
- Christmas hampers to grantees.
- Special needs payments.

The Report of the Council provides a further breakdown of grants paid.

6.	Costs of raising funds	2020 £	2019 £
	Investment manager's fees	16,874	13,401
	Special activities costs	-	42,388
	Allocation of support costs	18,092	17,657
		£34,966	£73,446
7.	Grants and other costs		
	Staff costs	38,695	37,847
	Travelling	13	697
	Telephone	327	362
	Printing, postage and stationery	824	733
	Insurances and general expenses	1,670	1,590
	Depreciation	373	406
	Bank charges	164	129
	Accountancy	2,440	2,220
	Legal and professional fees	2,700	-
	Governance costs	4,420	4,200
	Bad debts	-	-
	Website costs	1,446	288
		£53,072	£48,472
8.	Governance Costs	£	£
	Auditors' remuneration - for audit	4,420	4,200
		£4,420	£4,200

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

9. Staff Costs

The average number of employees, excluding members of the Council was 1 (2019: 1), who did not have emoluments exceeding £60,000 (2019: none exceeding £60,000).

The members of Council were not remunerated for their services nor were they reimbursed for any of their expenses during the year.

10. Fixed Assets

	Office Equipment £
Cost	
At 1 January 2020	3,716
Additions	326
	<hr/>
At 31 December 2020	4,042
	<hr/>
Depreciation	
At 1 January 2020	2,741
Charge for the year	373
	<hr/>
At 31 December 2020	3,114
	<hr/>
Net Book Value	
At 31 December 2020	£928
	<hr/>
At 31 December 2019	£975
	<hr/>

11. Fixed Asset Investments

	Other Investments £
At valuation:	
At 1 January 2020	2,301,410
Additions at cost	365,158
Disposals	(451,573)
Gains/(losses) for the year	22,151
	<hr/>
At 31 December 2020	£2,237,146
	<hr/>
At 31 December 2019	£2,301,410
	<hr/>
Historical cost:	
At 31 December 2020	£1,551,092
	<hr/>
At 31 December 2019	£1,628,238
	<hr/>

Investments at 31 December 2020 comprise securities listed on the London Stock Exchange at market value of £1,050,179 (2019: £1,094,390) and unlisted investments in a common investment fund at market value of £1,186,967 (2019: £1,207,020).

The Charity did not hold any investments which had a market value at 31 December 2020 in excess of 5% of the Charity's portfolio at that date.

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

12. Debtors		2020	2019			
		£	£			
Due within one year:						
Income receivable		-	5,277			
Prepayments		1,176	405			
Accrued income		-	-			
		£1,176	£5,682			
13. Creditors: Due within one year						
Accruals		6,000	5,800			
Other creditors		853	862			
		6,853	£6,662			
14. Movements in funds						
	At	Incoming	Resources	Other	Transfers	At
	01.01.20	Resources	expended	recognised		31.12.2020
	£	£	£	gains and	£	£
				losses		
				£		
Restricted funds						
- Hardship Fund	-	75,000	(61,033)	-	-	13,967
Unrestricted funds						
- General funds	2,465,709	95,090	(201,863)	22,151	-	2,381,087
	<u>2,465,709</u>	<u>170,090</u>	<u>(262,896)</u>	<u>22,151</u>	<u>-</u>	<u>2,395,054</u>

Hardship fund

A new hardship fund was set up to help those suffering hardship because of the COVID-19 pandemic.

Reconciliation of Movements on General Fund

	Capital	Income	Total
	£	£	£
Net Incoming Resources for the year		(106,773)	(106,773)
Other recognised gains:			
- Gain on investment assets		22,151	22,151
Net movement in funds before transfers	-	(84,622)	(84,622)
Transfers between funds	5,277	(5,277)	-
Total movement for year	5,277	(89,899)	(84,622)
At 1 January 2020	2,054,965	410,744	£2,465,709
At 31 December 2020	£2,060,242	£320,845	£2,381,087
Analysed as to:			
Realised	1,374,188	320,845	1,695,033
Unrealised	686,054	-	686,054
Total at 31 December 2020	£2,060,242	£320,845	£2,381,087

The Silversmiths and Jewellers Charity

Notes To The Financial Statements For the Year Ended 31 December 2020

15. Financial Commitments

The Charity is continuing to make regular payments to grantees approved by the Council prior to 31 December 2020. Such amounts paid after 31 December 2019 do not represent either a commitment or constructive obligation on the part of the Charity at the Balance Sheet date since all such payments remain at the discretion of the Council.

Capital Commitments

There were no capital commitments at 31 December 2019 and 31 December 2020.

Pension Commitments

The Charity makes contributions to personal pension schemes for staff. The assets of the schemes are totally separate from those of the Charity in independently administered funds. The pension cost charged in the financial statements in the year was £1,509 (2019: £1,479). At the end of the year there were outstanding contributions payable of £186 (2019: £186).

16. Related Parties

The Charity is not controlled by any individual or corporation.