

**Charity number: 1069939**

## **The Charity of the Worshipful Company of Arbitrators**

**Unaudited**

**Trustees' report and financial statements**

**For the year ended 31 July 2021**

# **The Charity of the Worshipful Company of Arbitrators**

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## **The Charity of the Worshipful Company of Arbitrators**

### **Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 July 2021**

#### **Trustees**

Martyn Bradish  
Nicola Cohen  
Lucy Keane  
Anthony Nixon  
Paul Rose, Chairman  
Margaret Bickford-Smith (resigned 27 October 2021)  
David Steward  
Simon Underwood (resigned 20 April 2021)  
Chris McArdle (appointed 27 October 2021)

#### **Charity registered number**

1069939

#### **Principal office**

28 Crawford Street  
London  
W1H 1LN

#### **Accountants**

Kreston Reeves LLP  
Chartered Accountants  
Second Floor  
168 Shoreditch High Street  
London  
E1 6RA

#### **Bankers**

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report For the year ended 31 July 2021**

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The Trustees present their annual report together with the financial statements of the Charity for the 1 August 2020 to 31 July 2021.

#### **Objectives and activities**

##### **• Policies and objectives**

The objects of the Charity are:

- a) the relief of poverty among members and former members of the Worshipful Company of Arbitrators and their dependents and;
- b) the advancement of education in any manner which is now or may hereafter be deemed by law to be charitable and
- c) any other charitable purpose

The Charity exists for the benefit of the public, in accordance with its charitable objects. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **Achievements and performance**

##### **• Review of activities**

Through its Charity the Company provides annual prizes and support to the Armed Services through the company's contacts with HMS Mersey, 13 Company of the Army Cadets and 622 Squadron, as well as the Poppy Appeal. There are also annual prizes to scholars of the City of London School for Girls and the King's College Centre for Construction Law.

We have donated to the Lord Mayor's Big Curry Lunch which raises money in support of the Soldiers' Charity. We also contribute a substantial sum to the annual Lord Mayor's Appeal.

We regularly provide a two year bursary for an advanced level student at King Edward's School Witley who select candidates as worthy of support without which they would have to discontinue their studies there.

In alternate years we support the Education Committee's UK Mediation Skills Competition and their Arbitration Weekend, both of which have proved extremely successful.

Grants are made each year for two Travelling Scholarships by means of an invitation and interview process conducted by the Education and Pupillage Committee, following an initiative by Past Master Professor John Uff CBE QC.

We provided a grant to King Edwards School Witley, City Law School, and pupil Library Assistant of the Year. We also provided a grant to School Food Matters. There are further initiatives under consideration which have yet to come to fruition.

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report (continued) For the year ended 31 July 2021**

#### **Achievements and performance (continued)**

##### **• Financial Review**

The Trust had another successful year creating a good income, although after making grants and awarding prizes in the year, there was a reduction in funds of £(5,209) (2020: £13,214). This was achieved in good measure by the generosity of the members of the Company making donations which were enhanced with gift aid wherever possible. The Trust was able to make grants in the reasonable certainty that income from those donors would continue for at least a further 12 months. By their nature, the making of grants can have a time lag between receiving grant applications and the grant being paid. The intention is that the net income is dispersed as grants, which is kept under review at the Trustees regular meetings.

Investment gain / loss for the year was a gain of £72,259 (2020: loss of £1,109). It is the policy of the Trust to invest for the long term and the value of investments can fall as well as rise. However, this unrealised surplus has contributed in supporting the Trustees' confidence to achieve the Trust's objectives as measured by finance.

##### **• Reserves**

At 31 July 2021 the Trust held unrestricted reserves of £607,675 (2020: £540,625). It is the policy of the Trust to hold free realisable reserves to enable there to be sufficient funds to support the Trust's grant making capacity for at least the next 12 months.

It is requirement of the Livery Committee that before a Company is granted its Livery it arranges for not less than £300,000 to be held in charitable funds. This is the minimum and the Trust holds greater sums it grows in strength to support longer term projects.

##### **• Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

#### **Structure, governance and management**

##### **• Structure**

The Charity is established by a Deed of Trust dated 22 April 1998 under the name The Second Charity of The Worshipful Company of Arbitrators although it is known as the Charity of the Worshipful Company of Arbitrators ("The Trust").

The number of Trustees is set out in the Trust Deed as being not less than four and no more than eight. The term of office and appointing authority are as follows:

- Two ex-officio Trustees who shall be the Master and Senior Warden of the Worshipful Company of Arbitrators ("The Company") for the time being.
- Two Trustees who are nominated by the Company. The term of office is four years. The nominee may be a member of the Court of the Company but need not be.
- Four co-opted Trustees who are appointed by resolution of the Trustees. The term of office is four years. Co-opted Trustees are selected for their personal and professional abilities to assist the Trust in achieving its objectives.

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report (continued) For the year ended 31 July 2021**

#### **Structure, governance and management (continued)**

##### **• Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

##### **• Policies adopted for the induction and training of Trustees**

On appointment, new Trustees receive information on both their role as Trustee and on the Charity. They are invited to familiarise themselves with the information for new Trustees available from the Charity Commission before formally accepting the position. They are also invited and encouraged to visit and take part in aspects of the Charity's work to gain a fuller understanding of the issues involved.

##### **• Risk management**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to operations and finances and are satisfied that systems are in place to mitigate our exposure to the major risks. As part of the process the Trustees have implemented the following:

- The Trustees meet at least four times a year to review the financial position of the Trust and other matters and to consider applications for grants and prizes.
- The Trustees have reviewed the Trust's own internal financial controls and are satisfied that these are appropriate in minimising any risk to the Trust funds.
- The Trustees have prepared a risk register with likelihood and impacts for each risk identified. The Risk Register is reviewed at least annually.

##### **• COVID-19**

The global pandemic has had relatively limited impact on the Charity. The funds under investments with Rathbones have held up well and are at pre-pandemic levels. Charitable contributions from the members of the Worshipful Company of Arbitrators, being the main source of charitable collection, has also held up well. The Charity has made some additional donations to worthy causes, which will be seen in the accounts to 31 July 2020 and 31 July 2021.

The most significant impact has been on the ability of the Trustees to meet, and also to prepare and approve these financial statements. Meetings have been held remotely through Zoom.

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report (continued) For the year ended 31 July 2021**

#### **Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Paul Rose**  
Chairman  
Date:

## **The Charity of the Worshipful Company of Arbitrators**

### **Independent examiner's report For the year ended 31 July 2021**

#### **Independent examiner's report to the Trustees of The Charity of the Worshipful Company of Arbitrators ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 July 2021.

#### **Responsibilities and basis of report**

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

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

#### **Independent examiner's statement**

Your attention is drawn to the fact that the Charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that 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 2015.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Stephen Tanner BSc(Econ) FCA

Kreston Reeves LLP  
London



# The Charity of the Worshipful Company of Arbitrators

## Statement of financial activities For the year ended 31 July 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>				
Donations and legacies	3	33,310	33,310	36,650
Investment income	4	8,658	8,658	7,184
<b>Total income</b>		<b>41,968</b>	<b>41,968</b>	43,834
<b>Expenditure on:</b>				
Charitable activities	5	47,177	47,177	30,620
<b>Total expenditure</b>		<b>47,177</b>	<b>47,177</b>	30,620
Net gains/(losses) on investments		72,259	72,259	(1,109)
<b>Net movement in funds</b>		<b>67,050</b>	<b>67,050</b>	12,105
<b>Reconciliation of funds:</b>				
Total funds brought forward		540,625	540,625	528,520
Net movement in funds		67,050	67,050	12,105
<b>Total funds carried forward</b>		<b>607,675</b>	<b>607,675</b>	540,625

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

The notes on pages 9 to 16 form part of these financial statements.

# The Charity of the Worshipful Company of Arbitrators

## Balance sheet As at 31 July 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	10	512,221	443,835
		<u>512,221</u>	<u>443,835</u>
<b>Current assets</b>			
Debtors	11	625	4,926
Cash at bank and in hand		99,351	94,864
		<u>99,976</u>	<u>99,790</u>
Creditors: amounts falling due within one year	12	(4,522)	(3,000)
<b>Net current assets</b>		<u>95,454</u>	<u>96,790</u>
<b>Total net assets</b>		<u><u>607,675</u></u>	<u><u>540,625</u></u>
<b>Charity funds</b>			
Unrestricted funds		<u>607,675</u>	<u>540,625</u>
<b>Total funds</b>		<u><u>607,675</u></u>	<u><u>540,625</u></u>

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

**Paul Rose**  
Chairman

Date:

The notes on pages 9 to 16 form part of these financial statements.

# **The Charity of the Worshipful Company of Arbitrators**

## **Notes to the financial statements For the year ended 31 July 2021**

### **1. General information**

The charity is a public benefit entity which is registered in England and Wales. The address of its registered and principal office is 28 Crawford Street, London, W1H 1LN.

### **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.

The Charity of the Worshipful Company of Arbitrators 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 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### **2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**Notes to the financial statements  
For the year ended 31 July 2021**

**2. Accounting policies (continued)**

**2.4 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 Bank.

**2.5 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.

**2.6 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.7 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.

**2.8 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 or the amount it has received as advanced payments for the goods or services it must provide.

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 within interest payable and similar charges.

**2.9 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.10 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2021

### 3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	29,423	29,423	30,501
Gift Aid	3,887	3,887	6,149
<b>Total donations and legacies</b>	<b>33,310</b>	<b>33,310</b>	<b>36,650</b>
Total 2020	36,650	36,650	

### 4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends	5,176	5,176	4,045
Investment income	3,482	3,482	3,139
<b>Total 2021</b>	<b>8,658</b>	<b>8,658</b>	<b>7,184</b>
Total 2020	7,184	7,184	

### 5. Analysis of expenditure by activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Expenditure	41,432	5,745	47,177	30,620
Total 2020	25,090	5,530	30,620	

### 6. Independent Examiner's remuneration

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,590 (2020 - £1,500).

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2021

### 7. Analysis of grants

	<b>Grants to Institutions 2021 £</b>	<b>Grants to Individuals 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Grants	40,432	1,000	<b>41,432</b>	25,090
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total 2020	23,990	1,100	25,090	
	<u>          </u>	<u>          </u>	<u>          </u>	

## The Charity of the Worshipful Company of Arbitrators

### Notes to the financial statements For the year ended 31 July 2021

#### Analysis of grants (continued)

	<b>Grants &amp; Prizes to Institutions 2021 £</b>	<b>Grants &amp; Prizes to Institutions 2020 £</b>	<b>Grants &amp; Prizes to Individuals 2021 £</b>	<b>Grants &amp; Prizes to Individuals 2020 £</b>
King Edwards School Witley	1,000	1,000	-	-
Silk Court Care Home	-	1,000	-	-
Lord Mayor's Appeal Fund	5,000	-	-	-
ABF Soldiers Charity	1,000	-	-	-
Saracens School: Chromebooks	10,000	-	-	-
Saracens School: Mental Health	6,000	8,000	-	-
Stepney City Farm	2,000	-	-	-
Support Through Court	1,000	-	-	-
London Legal Support Trust	1,000	-	-	-
Clara Grant Primary School	5,000	-	-	-
Citizens Advice - Free Legal Advice Grant	-	5,000	-	-
Free Representation	500	-	-	-
School Library Associates Prize	-	500	-	-
St Mary Le Bow Charity	500	500	-	-
St Mary Le Bow Church Food Bank	-	2,000	-	-
HMS Mersey Sailor of the Year	-	-	-	300
Authors Aloud	-	4,990	-	-
Meridian Hospital Radio	-	1,000	-	-
MM PP Central Fund	500	-	-	-
University of London Dev	3,000	-	-	-
University of Liverpool	1,000	-	-	-
Intermediaries Common	1,000	-	-	-
David Clancy	-	-	250	-
Forsyth City Law School	-	-	250	-
13 Company ACF	932	-	-	500
622 Squadron Blondie Swales Award	-	-	500	300
Spitalfields Crypt Trust	1,000	-	-	-
	<b>40,432</b>	<b>23,990</b>	<b>1,000</b>	<b>1,100</b>

#### 8. Trustees' remuneration and expenses

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

During the year ended 31 July 2021 no Trustee expenses have been incurred (2020 - £NIL).

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2021

### 9. Support costs

	2021 £	2020 £
Governance costs	1,500	1,500
Bank charges and other costs	117	596
Investment advisors fees	4,038	3,571
	<u>5,655</u>	<u>5,667</u>

### 10. Fixed asset investments

	Listed investments £	Cash held for investment £	Total £
<b>Valuation</b>			
At 1 August 2020	435,631	8,204	443,835
Additions	26,850	-	26,850
Disposals	(24,078)	-	(24,078)
Revaluations	70,769	-	70,769
Movement in cash	-	(5,155)	(5,155)
<b>At 31 July 2021</b>	<u>509,172</u>	<u>3,049</u>	<u>512,221</u>

### 11. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Other debtors	625	4,926
	<u>625</u>	<u>4,926</u>



# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2021

### 12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<b>4,522</b>	3,000

### 13. Summary of funds

#### Summary of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2021 £
General funds	<b>540,625</b>	<b>41,968</b>	<b>(47,177)</b>	<b>72,259</b>	<b>607,675</b>

#### Summary of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2020 £
General funds	528,520	43,834	(30,620)	(1,109)	540,625

### 14. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	512,221	<b>512,221</b>
Current assets	99,976	<b>99,976</b>
Creditors due within one year	(4,522)	<b>(4,522)</b>
<b>Total</b>	<b>607,675</b>	<b>607,675</b>

## The Charity of the Worshipful Company of Arbitrators

### Notes to the financial statements For the year ended 31 July 2021

#### 14. Analysis of net assets between funds (continued)

##### Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	443,835	443,835
Current assets	99,790	99,790
Creditors due within one year	(3,000)	(3,000)
<b>Total</b>	<b>540,625</b>	<b>540,625</b>

#### 15. Related party transactions

During the year, the Worshipful Company of Arbitrators received funds on behalf of the charity, and as at the balance sheet date, a sum of £500 (2020: £100) was outstanding.