

THE MASTER CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

REGISTERED CHARITY NUMBER: 1139904

FOR THE YEAR ENDED 30th SEPTEMBER 2021

Messrs. Hoare Trustees
37 Fleet Street
London
EC4P 4DQ

THE MASTER CHARITABLE TRUST
CONTENTS

	Page
Trustee's Annual Report	1 - 4
Independent Auditor's Report	5 - 7
Statement of Financial Activities	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Financial Statements	11 - 18

**THE MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Reference and administrative information

Dates of Deeds Declaration of Trust - 23rd December 2009
Deed of Amendment - 5th January 2011

Trustee Messrs. Hoare Trustees

Directors of Messrs. Hoare Trustees A S Hoare
V E Hoare
S M Hoare
B S Hoare
A R Q Hoare
R R Hoare (appointed 10 May 2022)
N I Macpherson (resigned 10 May 2022)

A new Trustee or director may be appointed at any time and notwithstanding that the total number of Trustees may exceed four.

Training is provided to the Trustee(s) on an on going basis.

Nature of Trust A registered charity, registered with the Charity Commissioners for England and Wales as number 1139904.

Nicholas Messrs. Hoare Trustees
37 Fleet Street
London
EC4P 4DQ

Independent Auditors Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers C. Hoare & Co.
37 Fleet Street
London
EC4P 4DQ

Solicitors Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

**THE MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Report of the Trustee for the year ended 30th September 2021.

The Trustee of the Master Charitable Trust (the Charity) presents its report along with the financial statements of the charity for the year to 30th September 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 11 and 12 and comply with the charity's Trust Deed, the Charities Act 2011 and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

Structure, Governance and Management

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

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

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

Objectives and Activities

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

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

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

Fundraising

Due to the Coronavirus pandemic, no fundraising activities were undertaken during the year ending 30th September 2021 (2020; nil). As no fund raising was undertaken, no complaints were received in the year regarding fund-raising practices.

Grant making policy

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

As required by the Charities Act 2011, the Trustee has referred to the Charity Commission's general guidance on public benefit when formulating the grant making policy. In particular, the Trustee has considered how grants can be made to ensure maximum benefit flows through to the intended ultimate beneficiaries. The grants benefit a number of public causes, as detailed in note 4. In shaping objectives and planning activities for the year, the trustee has considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance

Our donors have continued in their generosity in the past year, with donations totalling £58,183,436 to 1,125 different charities (2020; £43,533,342 to 627). Around a quarter of these donations have been given to educational causes. This year we saw 8 donations over £1m, an increase on 5 in the previous year. We continue to provide a uniquely flexible service for our donors, supporting a wide variety of charities and projects. The Master Charitable Trust still sits at one tenth of the UK Donor Advised Fund market and we hope to continue to support our donors in having a positive impact in years to come.

Financial Review

The Trustee received donations during the year of £87,103,685 (2020; £86,745,231) which includes £4,517,914 of Gift Aid claims (2020; £5,239,012), and established a further 16 Giving Funds which between them donated new expendable endowments totalling £10,545,654 bringing the number of Giving Funds to 104 at the year end. The net inflow of funds after recognised gains and losses amounted to £55,437,569 (2020; £46,112,232). The financial statements for the year are set out on pages 8 to 18.

**THE MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Risk Management

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

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

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

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

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

Investment Policy and Performance

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

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

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

Reserves Policy

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

Future Plans

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

**THE MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Statement of Trustee's responsibilities

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

Charity law requires the Trustee to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Jul 27, 2022

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

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


..... Director

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Opinion

We have audited the financial statements of The Master Charitable Trust for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 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 Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement set out on page 4, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustee as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

9 Appold Street
London
EC2A 2AP

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

THE MASTER CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30th SEPTEMBER 2021

	Notes	-----Unrestricted Funds-----				-----Unrestricted Funds-----			
		General Endowment Fund £	-----Giving Funds----- Income £	Expendable Endowment £	Total Funds 2021 £	General Endowment Fund	-----Giving Funds----- Income	Expendable Endowment	Total Funds 2020 £
Income and Expenditure									
INCOME AND ENDOWMENTS FROM:									
Donations and legacies:-									
Endowments received	2	65,072	-	87,038,613	87,103,685	1,100	-	86,744,131	86,745,231
Investment income	3	-	1,488,148	-	1,488,148	-	1,154,712	-	1,154,712
TOTAL INCOME		65,072	1,488,148	87,038,613	88,591,833	1,100	1,154,712	86,744,131	87,899,943
EXPENDITURE ON:									
Cost of raising funds									
Investment management costs	6	1,493	-	291,684	293,177	2,155	-	178,340	180,495
Charitable activities	4	-	58,748,993	-	58,748,993	-	44,031,296	-	44,031,296
TOTAL EXPENDITURE		1,493	58,748,993	291,684	59,042,170	2,155	44,031,296	178,340	44,211,791
NET OPERATING INCOME/(EXPENDITURE)		63,579	(57,260,845)	86,746,929	29,549,663	(1,055)	(42,876,584)	86,565,791	43,688,152
OTHER RECOGNISED GAINS/(LOSSES)									
Gains on Investments	8&9	16,155	-	26,314,831	26,330,986	12,972	-	2,450,144	2,463,116
Realised (loss) adjustment		-	-	(6)	(6)	-	-	(1,271)	(1,271)
Losses on currency transactions		-	-	(443,074)	(443,074)	-	-	(37,765)	(37,765)
NET INCOME/(EXPENDITURE)		79,734	(57,260,845)	112,618,680	55,437,569	11,917	(42,876,584)	88,976,899	46,112,232
Gross transfer between Funds	13	(64,410)	57,265,945	(57,201,535)	-	(4,522)	42,904,005	(42,899,483)	-
NET MOVEMENT IN FUNDS		15,324	5,100	55,417,145	55,437,569	7,395	27,421	46,077,416	46,112,232
RECONCILIATION OF FUNDS									
Total funds brought forward	14	379,304	187,469	180,754,946	181,321,719	371,909	160,048	134,677,530	135,209,487
BALANCES CARRIED FORWARD	14	394,628	192,569	236,172,091	236,759,288	379,304	187,469	180,754,946	181,321,719

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

THE MASTER CHARITABLE TRUST
BALANCE SHEET
AS AT 30th SEPTEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Listed Investments	8	138,372,354	83,726,504
Unlisted Investments	8	868,795	1,287,307
Programme Related Investments	9	238,298	238,298
Tangible fixed assets	10	<u>17,675</u>	<u>20,200</u>
		139,497,122	85,272,309
CURRENT ASSETS			
Cash at Bank		96,423,258	96,107,990
Sundry Debtors	11	<u>2,906,365</u>	<u>210,446</u>
		99,329,623	96,318,436
CURRENT LIABILITIES			
Creditors - falling due within one year	12	<u>2,067,457</u>	<u>269,026</u>
NET CURRENT ASSETS		<u>97,262,166</u>	<u>96,049,410</u>
Total assets plus current assets		<u>236,759,288</u>	<u>181,321,719</u>
NET ASSETS		<u>236,759,288</u>	<u>181,321,719</u>
UNRESTRICTED FUNDS			
General Endowment Fund	14	394,628	379,304
Giving Funds			
Expendable Endowment	14	236,172,091	180,754,946
Income Funds	14	<u>192,569</u>	<u>187,469</u>
		<u>236,759,288</u>	<u>181,321,719</u>

Approved by the Trustee and authorised for issue on:

and signed on its behalf by:

Jul 27, 2022

.....
Date



.....
Director



.....
Director

THE MASTER CHARITABLE TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th SEPTEMBER 2021

	Notes	2021 £	2020 £	
Cash flows from operating activities				
Net cash provided by operating activities	15	14,961,090	15,252,898	
Cash flows from investing activities				
Dividends and interest from investments	3	1,488,148	1,154,712	
Proceeds from sale of fixed asset investments	8	41,630,514	49,253,821	
Proceeds from sale of programme related investments	9	679	10,000	
Purchase of fixed asset investments	8	(59,315,162)	(42,603,099)	
Purchase of programme related investments	9	-	(78,242)	
Net cash (used in) investing activities		<u>(16,195,822)</u>	<u>7,737,191</u>	
Cash flows from financing activities				
New loan		1,550,000	-	
Net cash (used in) investing activities		<u>1,550,000</u>	<u>-</u>	
Change in cash and cash equivalents in the reporting period		315,268	22,990,089	
Cash and cash equivalents at the beginning of the reporting period		<u>96,107,990</u>	<u>73,117,901</u>	
Cash and cash equivalents at the end of the reporting period		<u>96,423,258</u>	<u>96,107,990</u>	
<u>Net debt</u>				
	At start of year	Cash flows	Other movements	At end of year
Cash and cash equivalents	96,107,990	315,268	-	96,423,258
Loan	<u>-</u>	<u>(1,550,000)</u>	<u>-</u>	<u>(1,550,000)</u>
Net debt	96,107,990	(1,234,732)	-	94,873,258

The notes on pages 11 to 18 form part of these financial statements.

**THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2021**

1 ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

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

(b) Fund Structure

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

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

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

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

(c) Income

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

Grants and Donations Receivable

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

Investment Income

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

(d) Expenditure

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

Costs of Raising Funds

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

Charitable Activities

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

Governance Costs

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

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2021

1 ACCOUNTING POLICIES (Continued)

(e) Tangible Fixed Assets

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

(f) Investments

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

(g) Realised and Unrealised Gains and Losses

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

(h) Going concern

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

(i) Financial instruments

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

With the exceptions of prepayments and deferred income (which are not financial investments), all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 11 and 12 for the debtor and creditor notes.

(j) Cash and cash equivalents

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

(k) Key Estimates and Judgements

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

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

2 ENDOWMENTS RECEIVED

	2021	2020
Cash:	£	£
Donations received in year	72,373,388	53,651,393
Gift Aid reclaimable	4,517,914	5,239,012
Investments:		
Transferred into Trust at Market Value	10,212,383	27,854,826
	<u>87,103,685</u>	<u>86,745,231</u>

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

3 INVESTMENT INCOME

	2021	2020
	£	£
Investment income	1,231,089	800,821
Interest on cash deposits	2,413	116,176
Interest on loan notes	252,255	238,022
Income cash currency gain/(loss)	2,391	(307)
	<u>1,488,148</u>	<u>1,154,712</u>

4 CHARITABLE ACTIVITIES

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

	2021	2020
	£	£
Grants made during the year	58,183,436	43,533,342
Previous years donation adjustments - Over provision of previous year	-	(2,284)
Support costs (see note 6)	565,557	500,238
	<u>58,748,993</u>	<u>44,031,296</u>

The total comprised grants to the following:

The prevention or relief of poverty	4,774,552	3,779,801
The advancement of education	13,695,443	5,993,814
The advancement of religion	487,760	813,853
The advancement of health or the saving of lives	10,141,625	15,778,193
The advancement of citizenship or community development	10,690,567	1,775,869
The advancement of the arts, culture, heritage or science	9,955,351	4,744,601
The advancement of amateur sport	450,057	108,940
The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity	131,321	51,030
The advancement of environmental protection or improvement	1,006,892	787,987
The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage	4,636,572	3,975,834
The advancement of animal welfare	318,594	473,072
The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services	124,820	218,545
Any other charitable purpose	1,769,882	5,031,803
	<u>58,183,436</u>	<u>43,533,342</u>

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

4 CHARITABLE ACTIVITIES (continued)

	2021
	£
Institutional Donations of £250,000 and over	
Action on Addiction	287,103
Bradfield Foundation	250,000
British Film Institute	353,000
Canine Partners For Independence	310,000
Clink Charity	2,000,000
Down's Syndrome Association	250,000
Federation of London Youth Clubs	267,000
Forward Trust	1,120,676
Governors For Schools	433,083
Greenhouse Sports	330,000
Helpforce Community Trust	250,000
Institute for Cancer Vaccines and Immunotherapy	400,000
International Spinal Research Trust	320,000
Kindred Squared	698,846
Mail Force Charity CIO	500,000
Mayor's Fund for London	250,000
National Gallery Trust	753,209
National Portrait Gallery	1,000,000
One Small Thing	458,500
Passage 2000	2,001,000
Prince's Trust	2,426,242
Rock UK Adventure Centres	255,343
Roundhouse Trust	428,155
Royal Academy of Arts	2,503,000
Royal National Theatre	263,712
Royal Opera House Covent Garden Foundation	2,662,700
Sheerness Dockyard Preservation Trust	500,000
Stowe School Foundation	350,000
Strategic Resource Group Inc.	700,000
Substance Abuse Foundation	729,328
The Big Give Trust	326,000
UK Youth	1,892,900
Young Minds Trust	250,000
Total grants of £250,000 or over	<u>25,519,797</u>

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

5 RELATED PARTY TRANSACTIONS

	2021	2020
	£	£
Donations received from a Director of the Trustee	50,000	45,000
Donations received from other charities where Messrs. Hoare Trustees is a Trustee:		
The Golden Bottle Trust (Charity Commission no. 327026)	41,000	108,000
	91,000	153,000

A S Hoare, a director of the trustee, is also the Chair of the Board of Directors of Snowball Impact Investments LP. At the year-end the Trust had an investment in Snowball Impact Investments LP worth £516,768 (2020: £nil)

6 ANALYSIS OF SUPPORT COSTS

	2021	2020
	£	£
Bank charges	757	322
Cost of printing voucher books	2,532	5,988
Depreciation of tangible fixed asset	2,525	2,525
Legal fees	26,123	50,046
Administration	28,360	58,626

GOVERNANCE COSTS

Trustee Administration Fee (including VAT)	482,415	359,676
Independent Auditor's Remuneration	25,500	23,055
(Over)/Under provision of previous years audit fee	(2,655)	-
	565,557	500,238

INVESTMENT RELATED FEES

Investment Management fees	283,343	156,499
Custody Fees	8,334	22,646
Enhance Investment Review Fees	1,500	1,350
	293,177	180,495

7 REMUNERATION OF TRUSTEE

For the year ended 30th September 2021, the Trustee charged £477,015 (2020: £359,676) for their administrative fees in accordance with the power given to them by virtue of clause 28.3 of the Declaration of Trust. In addition, £5,400 (2020: Nil) was paid towards Trustees' due diligence fees. No out of pocket expenses were reimbursed by the Charity.

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

8 FIXED ASSET INVESTMENTS

Movement in fixed asset investments	Listed	Unlisted	Total	
			2021	2020
Investments	£	£	£	£
Market Value Brought Forward	83,726,504	1,287,307	85,013,811	61,867,522
Investments gifted in	10,212,383	-	10,212,383	27,333,911
Add: Acquisition costs	59,303,816	11,346	59,315,162	42,603,099
Less: Disposal proceeds	(39,619,989)	(2,010,525)	(41,630,514)	(49,253,821)
Realised (losses)/gains on disposals	6,349,962	1,108,209	7,458,171	(1,476,629)
Unrealised gains:	18,399,678	472,458	18,872,136	3,939,729
Market Value Carried Forward	138,372,354	868,795	139,241,149	85,013,811
Historical cost as at 30th September 2021	114,266,903	47,570	114,314,473	76,402,893

The market value of investments to 30th September 2021 includes an investment of unlisted shares in Beagle Bidco Limited, totalling £868,795 that was acquired on the 9th Decemebr 2020.

9 PROGRAMME RELATED INVESTMENTS

Movement in programme related investments	2021	2020
	£	£
Unlisted programme related investments		
Value brought forward	238,298	170,040
Programme related investments Acquired:		
813 Herddle Group Limited	-	78,242
Programme related investments Redeemed:		
Mustard Seed Maze equalisation payment	(679)	-
100 London Missional Housing Bond	-	(10,000)
Gain on investments	679	16
Value Carried Forward	238,298	238,298
Historical cost as at 30th September 2021	238,469	238,469

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

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

Unlisted programme related investments held	2021	2020
	£	£
40,000 Adoption UK Charity 5% Fixed Rate Unsecured Loan Notes 2021	40,000	40,000
25,000 CW Renewable Energy EIS Fund	25,000	25,000
1 EcoPower Indian Ocean Ltd	23,165	23,165
813 Herddle Group Limited	50,040	50,040
10,000 Mission Housing Limited 1.25% Loan 30/11/2024	10,623	10,623
50,000 Mustard Seed Maze Social Entrepreneurship Fund	44,470	44,470
33.33333 Oikocredit GBP Depository Receipts	5,000	5,000
39 Relational Analytics Ordinary £1 Shares	39	39
14,961 Relational Analytics Preference Shares of £1	14,961	14,961
25,000 Relational Analytics Subordinated Loan Notes	25,000	25,000
	238,298	238,298

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

10 TANGIBLE FIXED ASSETS

	2021	
	Motor vehicles £	Totals £
Cost		
At 1st October 2020	25,250	25,250
Additions	-	-
At 30th September 2021	<u>25,250</u>	<u>25,250</u>
Depreciation		
At 1st October 2020	5,050	5,050
Charge for year	2,525	2,525
At 30th September 2021	<u>7,575</u>	<u>7,575</u>
Net book value		
At 30th September 2021	<u>17,675</u>	<u>17,675</u>
At 30th September 2020	<u>20,200</u>	<u>20,200</u>

11 DEBTORS

	2021 £	2020 £
Cash due from donors	400	-
Gift Aid tax reclaim	1,293,524	62,688
Investment income/interest due	66	1,186
Recoverable tax on investment income	64,612	64,131
Donations to be repaid/to be received	30,000	25,000
Loan to Herddle Limited	5,000	5,000
Other Debtors and prepayments	<u>1,512,763</u>	<u>52,441</u>
	<u>2,906,365</u>	<u>210,446</u>

12 CREDITORS

	2021 £	2020 £
Due within one year		
Loan	1,550,000	-
Trustee Administration Fees	357,216	102,620
Independent Auditor's Remuneration	48,555	40,305
Investment Management Fees	59,767	43,259
Custody fees	8,782	5,581
Other creditors	<u>43,137</u>	<u>77,261</u>
	<u>2,067,457</u>	<u>269,026</u>

The loan is repayable on demand and does not bear any interest.

13 FUND TRANSFERS

The Trustee made a transfer of £64,410 from the General Endowment Fund as well as a transfer of £57,201,535 from the Expendable Endowment Fund, totalling £57,265,945 to the Giving Fund in order to meet the level of donations as suggested by donors and in accordance with the terms under which the Giving Funds are operated.

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2021

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	-----Unrestricted Funds-----			
	General Endowment Fund 2021	Income 2021 £	Expendable Endowment 2021 £	Total Funds 2021 £
Fixed Assets				
Listed Investments	349,145	-	138,023,209	138,372,354
Unlisted Investments	-	-	868,795	868,795
Programme Related Investments	-	-	238,298	238,298
Tangible fixed assets	-	-	17,675	17,675
Current Assets				
Cash	47,022	192,569	96,183,667	96,423,258
Sundry Debtors	-	-	2,906,365	2,906,365
Creditors due within one year	(1,539)	-	(2,065,918)	(2,067,457)
Total	394,628	192,569	236,172,091	236,759,288

	-----Unrestricted Funds-----			
	General Endowment Fund 2020 £	Income 2020 £	Expendable Endowment 2020 £	Total Funds 2020 £
Fixed Assets				
Listed Investments	350,727	-	83,375,777	83,726,504
Unlisted Investments	-	-	1,287,307	1,287,307
Programme Related Investments	-	-	238,298	238,298
Tangible fixed assets	-	-	20,200	20,200
Current Assets				
Cash	29,917	187,469	95,890,604	96,107,990
Sundry Debtors	-	-	210,446	210,446
Creditors due within one year	(1,340)	-	(267,686)	(269,026)
Total	379,304	187,469	180,754,946	181,321,719

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

	2021 £	2020 £
Net operating income	29,549,663	43,688,152
Investment income	(1,488,148)	(1,154,712)
Investments gifted	(10,212,383)	(27,333,911)
Gains on Currency transactions	(443,080)	(39,036)
Depreciation	2,525	2,525
(Increase)/decrease in Debtors	(2,695,919)	411,507
Increase/(decrease) in Creditors	248,431	(321,628)
Net cash inflow from operating activities	14,961,090	15,252,898