

Charity Registration Number
246255

TALLOW CHANDLERS
BENEVOLENT FUND NO. 2
TRUSTEES' REPORT
AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

ADMINISTRATIVE INFORMATION

Trustees

Professor J Baxter, CBE
Mr I L Bowden
Mr M D Bridges Webb
Mr N J D Bull, FCA* (Master to 5th July 2016)
Dr A M Burch (resigned 5th July 2016)
Sir Peter Cazalet
Mr P G Edwards
Mr R J H Fleck, CBE* (Master from 5th July 2016)
Dr C S Gibson-Smith, CBE
Ms L Green
Mr A J Green*
Mr J N Harrington, DL
Mr J B Hill (resigned 5th July 2016)
Mr O Kirby-Johnson
Mr J B N Kurkjian
Mr C R Lambourne, FCA
Mr J A Long*
Mr I W R McIntyre*
Mr R A B Nicolle
Mr R D A Pick
Mr T H W Piper
Brigadier W K L Prosser, CBE, MC
Sir Christopher Pryke, Bt
Mr P J Purton OBE
Mr I D W Robertson*
Mr D A K Simmonds, JP
Sir Michael Snyder, DSc, FRSA, FCA
Mr G Stevens (resigned 5th July 2016)
Mr M M L Sutcliffe, FRCS
Brigadier N H Thompson, CBE, FICE
Mr C P Tootal
Mr R A Travis, FCA
Mr N M Wells
Mr R B Yates, FCA

Clerk

Brigadier D St J Homer, MBE

Assistant Clerk

Mr T Brettle, FCCA

*Nominated trustee

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

ADMINISTRATIVE INFORMATION

Auditor	Kreston Reeves LLP Springfield House Springfield Road Horsham West Sussex RH12 2RG
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Investment Managers	Quilter Cheviot Limited One Kingsway London WC2B 6AN
Registered Office	Tallow Chandlers' Hall 4 Dowgate Hill London EC4R 2SH
Charity Registration Number	246255

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

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TALLOW CHANDLERS BENEVOLENT FUND NO. 2

TRUSTEES' REPORT

Introduction

The Trustees present their Report and the audited Financial Statements for the year ended 5 April 2017. These have been prepared in accordance with the Trust Deed and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

Structure, governance and management

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

The power to appoint Trustees is held by the Master and Wardens of the Worshipful Company of Tallow Chandlers ("the Company") as advised by the Court of Assistants.

The Trustees who served during the year are shown on the administrative information page.

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

Management and administrative resources are provided by The Worshipful Company of Tallow Chandlers. The notional value of these support services are £106,469 (2016 £111,878). The Trustees are grateful to The Worshipful Company of Tallow Chandlers for this support.

Since the year end the Trustees have approved a resolution to amend the Trust Deed to enable The Worshipful Company of Tallow Chandlers to be appointed as sole trustee of the Charity given its status as a body corporate established by Royal Charter.

Objectives and activities for the public benefit

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

The Trust's principal aim is to provide relevant, focused support and giving for the benefit of disadvantaged young people in the Greater London area, to encourage them to succeed in life. This support is primarily provided through education in its broadest sense.

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

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

Achievements and performance

At the start of the year, the Trustees approved a grant and awards distribution budget of £361,102 which included a £50,000 Capital contribution. Grants and awards disbursed during the year excluding matched funding, additional collections and before any movements in grant commitments in the year totalled £307,301.

Our flagship beneficiaries, which receive some of our largest annual donations and programmes of non-financial support, are Greig City Academy in Haringey, Corelli College in Greenwich and Cubitt Town Junior School in Tower Hamlets. All three have a high proportion of students receiving free meals and a high proportion of students from Black and Minority Ethnic communities. The Company's donations are to enhance and add value and do not contribute to core costs or delivery of the standard curricula.

Our relationship with Greig City Academy (GCA) began in 2013. Our aim is to help students with their transition to university, further education or employment. Over the last four years our annual donation has increased from £15,000 to £27,500, reflecting the success of the association. Annual prizes have been presented to students who have excelled in STEM subjects and bursaries awarded to students who go on to university or City & Guilds courses. We have facilitated university visits, held mentoring events, given talks, advised on CV writing and interview techniques, helped GCA connect with other schools and contributed to the costs of participation in international science competitions. The Trustees have allocated an additional £50,000 towards a capital project that the Academy is planning. This sum is included within Grant Commitments.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

TRUSTEES' REPORT

Achievements and performance (continued)

Support to Corelli College began this year, with the award of their first donation of £20,000. A programme of activities similar to those at GCA is planned and we are working closely with the school to implement these as quickly as possible.

Cubitt Town Junior School is the first primary school to be awarded a three-year grant by the Tallow Chandlers' Company. They received their first donation of £15,000 this year. A group of pupils have visited the Hall and more activities are planned.

City of London institutions, our associated trades, affiliated military organisations and cadets are important parts of the Company's culture. Support within the City of London during the year included donations to the Lord Mayor's Appeal, the Sheriffs' and Recorder's Fund and the City of London Volunteer Police Cadets. We ran our annual competition for MBA students at Cass Business School and funded bursaries at Barts and the London School of Medicine and Dentistry.

The Trustees approved grants and awards to a total of 73 organisations. In all cases the Trustees have received appropriate acknowledgement of their award and a summary of the benefits and impact this has enabled for the public benefit.

During the year £145,950 of grant commitments provided for last year were paid, together with £176,351 of grant commitments entered into this year. A further £183,686 of grant commitments were provided for this year resulting in an increase in the provision of £37,736.

Although not supported by separately identified endowments, several small and ancient charities are paid £700 by standing order out of General Funds whilst they are available.

Grant-making policy

Our members make generous contributions to the Tallow Chandlers Benevolent Fund which when combined with investment income, an annual gift from the Company itself, matched funding and time giving, allow us to make significant donations that can have a real impact.

We focus on helping young, disadvantaged people to fulfil their potential and contribute to society through:

- supporting education, training and youth activities, primarily in Greater London
- supporting health and social welfare programmes
- promoting and encouraging excellence

A proportion of our budget is earmarked for one-off donations to charities that are proposed by Company members and/or meet our objectives and criteria.

Appeals come directly from charities or occasionally through Company members. Appeals are considered in terms of the following:

- is the organisation a registered charity, City institution or educational establishment?
- is it based in or operating in London?
- does the project or activity fall within one of our priority areas?
- does it address an identified need and/or support disadvantaged or vulnerable people?
- is a small one-off donation going to have an impact?
- does the appeal merit consideration for a larger, three-year donation (usually reserved for Education & Skills – especially in STEM areas - or Youth)?

As a general rule, we do not usually support:

- large or national charities
- charities that operate overseas

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

TRUSTEES' REPORT

Financial review

In the year to 5 April 2017, there were net incoming resources before recognised gains and losses of £145,221 (2016: £130,185) and a net increase in total funds of £1,450,676 (2016: decrease of £382,844).

The value of the fixed asset investments held by the Trust increased from £7,362,218 at the start of the year to £8,697,814. This increase in value comprised acquisitions during the year of £957,868 less disposals of £1,054,373. The balance of £1,432,101 results from a gain in market value of investments of £1,305,455 together with a movement in cash balances of £126,646, from £52,674 at the start of the year to £179,320 at the end.

Total incoming resources were £613,102 (2016: £544,239). The principal funding sources arise from donation income from the members of The Worshipful Company of Tallow Chandlers and from income generated by the fixed asset investments.

Total resources expended in the year amounted to £467,881 (2016: £414,054) including notional expended support services of £106,469 (2016: £111,878) which were donated by the Company (see note 5 of the financial statements).

The Trust continues to review the activities and financial position of charities, to which it gives regular support and gauges the impact of the Trust's giving. Reviews are conducted on a triennial basis. Beneficiaries that continue to meet the grant-giving criteria of the Trust receive a notification of the Trust's intention to continue funding typically for a further three years. Where firm commitments have been made for any future years these are recorded in the Statement of Financial Activities as resources expended in the year and are recorded on the balance sheet as creditors. The Fund has no commitments to any charity other than as recorded in these accounts.

Reserves policy

The Trustees have an accounting policy to treat as Designated Funds the charitable receipts, tax recoveries and other support from the Company and from its Members, which are treated as capital to be invested, thus continuing the charitable activities of the Company for the long term. Any capital or income not required for the immediate charitable purpose of the Trust is reinvested by the Trustees.

The Trust uses the invested funds to generate a return to provide for the long-term activities of the Fund.

The level of designated funds held at the year end was £8,786,959 (2016: £7,336,283).

The Trustees have an accounting policy to treat as Restricted Funds any charitable receipts which on the instruction of the donor are to be used for specific purposes.

The level of restricted funds held at the year end was £nil (2016: £nil).

The Trustees have an accounting policy to treat as General Funds any amounts which are not treated as designated or restricted funds.

The level of general funds held at the year end was £nil (2016: £nil).

All income and expenditure in the year related to the Designated and Restricted funds.

Investment policy

The Trustees have the authority to invest the funds of the Trust in a wide range of investments, as they think fit for the furtherance of the objects of the Trust. The Trustees have appointed professional investment managers to advise on the investment of the fund. The Company's Investment Committee liaises with the investment managers. The Trustees' policy is for the fund to be invested to achieve a total return that enables the Trustees to distribute funds in furtherance of their charitable objectives whilst ensuring that the capital of the fund at least keeps pace with inflation over time.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

TRUSTEES' REPORT

Future plans

The Trustees are satisfied with the policies for awarding grants and with the funding of the Trust. The level of charitable giving is regularly reviewed. At the beginning of each year the Trustees set a budget for the level of charitable giving for the coming year taking into account advice from the investment manager and the Investment Committee. For 2017/2018 the level of giving is expected to be in the order of £375,921 including the £50,000 contribution to the Capital Appeal referred to above (2016: £361,102). All grants will be made in accordance with the objectives of the Trust and the Tallow Chandlers' Company Strategy.

Statement of Risk Management Policy

The Trustees consider the major risks facing the Trust and these are listed in the risk register. In respect of each risk the potential impact is reviewed and appropriate measures adopted to mitigate the level of risk to an acceptable level in the Trust's operations. The risk register is reviewed and approved annually.

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditor is unaware; and
- the Trustees 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.

Approved by the Trustees on 4 July 2017 and signed on their behalf by



Mr I W R McIntyre
Chairman of Education and Charity Committee

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditor's statement of auditor's responsibilities set out on page 6, is made for the purpose of clarifying the respective responsibilities of the Trustees and the auditor in the preparation of the financial statements.

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, of the charity for the financial year.

In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the fund and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations, and the trust deed; and
- safeguarding the assets of the fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 4 July 2017 and signed on their behalf by



Mr I W R McIntyre
Chairman of Education and Charity Committee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

We have audited the financial statements of the Tallow Chandlers Benevolent Fund No.2 for the year ended 5 April 2017 which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards Generally Accepted Accounting Practice and 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 (FRS 102).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and the auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of financial statements which give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2017, 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;
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Kreston Reeves LLP

Chartered Accountants and Statutory Auditor

Springfield House

Springfield Road

Horsham

West Sussex

RH12 2RG

Date:

21/8/17

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2017

		2017 £	2017 £	2017 £	2017 £	2016 £
	Notes	General funds	Restricted funds	Designated funds	Total	Total
Income from:						
Donations	2	-	15,000	283,310	298,310	283,556
Investments	2	-	-	312,547	312,547	259,985
		-	15,000	595,857	610,857	543,541
Other		-	-	2,245	2,245	698
Total income		-	15,000	598,102	613,102	544,239
Expenditure on:						
Raising funds	3	-	-	15,577	15,577	16,881
Charitable activities	4	-	15,000	437,304	452,304	397,173
Total expenditure		-	15,000	452,881	467,881	414,054
Net income		-	-	145,221	145,221	130,185
Net gains/(losses) on investments		-	-	1,305,455	1,305,455	(513,029)
Net movement in funds		-	-	1,450,676	1,450,676	(382,844)
Total funds brought forward		-	-	7,336,283	7,336,283	7,719,127
Total funds carried forward		-	-	8,786,959	8,786,959	7,336,283

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

BALANCE SHEET

AS AT 5 APRIL 2017

	Notes	£	2017 £	2016 £
Fixed assets				
Investments	9		8,697,814	7,362,218
Current assets				
Debtors	10	103,949		81,016
Cash at bank		341,240		211,355
		<u>445,189</u>		<u>292,371</u>
Creditors: amounts falling due within one year	11	<u>(233,701)</u>		<u>(202,306)</u>
Net current assets			211,488	90,065
Creditors: amounts falling due after more than one year	12		<u>(122,343)</u>	<u>(116,000)</u>
Net assets			<u>8,786,959</u>	<u>7,336,283</u>
Charity Funds				
General fund	15		-	-
Designated fund	15	8,786,959		7,336,283
Restricted fund	15		-	-
Total charity funds			<u>8,786,959</u>	<u>7,336,283</u>

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Trustees and authorised for issue on 4 July 2017 and signed on their behalf by:

Mr R J H Fleck, CBE

Mr I W R McIntyre

Mr N J D Bull

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

STATEMENT OF CASH FLOWS

AS AT 5 APRIL 2017

	Notes	2017 £	2016 £
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)		1,450,676	(382,844)
Adjustments for:			
(Gains)/ losses on investments		(1,305,455)	513,029
(Increase)/ decrease in debtors		(22,933)	4,619
Increase/ (decrease) in creditors		37,738	53,153
Dividends and interest from investments		(312,547)	(259,985)
Net cash used in operating activities		(152,521)	(72,028)
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>		<i>(152,521)</i>	<i>(72,028)</i>
Cash flows from investing activities:			
Dividends and interest from investments		312,547	259,985
Proceeds from the sale of investments		1,054,373	1,856,410
Purchase of investments		(957,868)	(2,262,911)
<i>Net cash provided by investing activities</i>		<i>409,052</i>	<i>(146,516)</i>
<i>Change in cash and cash equivalents in the reporting period</i>		<i>256,531</i>	<i>(218,544)</i>
Reconciliation of net cash flow to movement in net funds			
Change in cash and cash equivalents in the reporting period			
Increase in liquid resources		256,531	(218,544)
Cash and cash equivalents at the beginning of the reporting period		264,029	482,573
Cash and cash equivalents at the end of the reporting period		520,560	264,029
Cash and cash equivalents consist of;			
Cash at bank		341,240	211,355
Investment cash	9	179,320	52,674
		520,560	264,029

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

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

The charity constitutes a public benefit entity as defined by FRS 102. 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.

The Trust adopted SORP (FRS 102) in the current year and an explanation of how transition to this has affected the reported financial position and performance is given in Note 18.

Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Trust has control over the item. Fair value is determined to be the monetary value of the expenditure borne by The Worshipful Company of Tallow Chandlers. A corresponding amount is recognised in expenditure.

Investment income is earned through holding shares for investment purposes. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised when the right to receive payment is established.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities. Support costs have been allocated between raising funds and grants and donations.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice and are split equally between raising funds and grants and donations.

Other support costs represent the notional expenses incurred by The Worshipful Company of Tallow Chandlers, and investment management costs. These costs are incurred directly in support of expenditure on the objects of the Trust.

Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The allocation of support and governance costs is analysed in note 5.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Expenditure

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

- Raising funds consists of investment management costs, and an apportionment of governance and other support costs.
- Charitable activities consists of grants and donations made, and an apportionment of governance and other support costs.

The apportionment of governance and support costs have been shown in note 5.

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

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

Fixed asset investments

Fixed asset investments are initially recognised at their transaction cost and are then subsequently measured at their market value at the balance sheet date in accordance with the Statement of Recommended Practice. The statement of financial activities includes the net unrealised and realised gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors and creditors receivable / payable

Debtors and creditors which have no stated interest rate are recorded at transaction value.

Cash and cash equivalents

Cash at bank and cash 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.

Tax

The charity is eligible for exemption from taxation in respect of its income and gains.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

Funds

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

The Trustees have an accounting policy to treat as designated funds the charitable receipts from The Worshipful Company of Tallow Chandlers and its members, which are treated as capital to be invested.

Any surplus of general funds will be transferred to designated funds and any deficit of general funds will be made good from designated funds.

The Trustees have an accounting policy to treat as restricted funds any charitable receipts which on the instruction of the donor are to be used for specific purposes.

Going concern

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

Judgements

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

2 INCOME

	2017 Total £	2016 Total £
Included in donations are the following items:		
Donations from Liverymen and Freemen (including tax recoveries)	104,756	106,908
Other donations	62,085	39,770
Donation from The Worshipful Company of Tallow Chandlers	131,469	136,878
	298,310	283,556

Included in other donations is restricted income of £15,000 (2016: £10,000). The remaining donation income of £283,310 is attributable to designated funds. The restricted income has been fully expended during the year for the agreed purposes.

Included in the donation from The Worshipful Company of Tallow Chandlers is a notional donation in kind of £106,469 (2016: £111,878) which represents the monetary value of the expenditure borne by The Worshipful Company of Tallow Chandlers in providing support services.

Investment income includes the following items:	2017 £	2016 £
Dividends	267,439	216,247
Interest	45,108	43,738
	312,547	259,985

Investment income arises from holdings in quoted investments, equities and cash deposits. All investment income is attributable to designated funds.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

3 RAISING FUNDS

	Activites undertaken directly £	Support costs £	2017 Total £	2016 Total £
Donations	-	15,577	15,577	16,881
	-	15,577	15,577	16,881

All of the above costs were attributable to designated funds.

4 CHARITABLE ACTIVITIES

	Grant funding £	Support costs £	2017 Total £	2016 Total £
Grants and donations	360,037	92,267	452,304	397,173
	360,037	92,267	452,304	397,173

£437,304 (2016: £382,173) of the above costs were attributable to designated funds. £15,000 (2016: £10,000) of the above costs were attributable to restricted funds.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

5 ALLOCATION OF SUPPORT COSTS	Raising funds	Grants and donations	2017 Total	2016 Total
	£	£	£	£
Governance costs (note 7)	687	688	1,375	1,301
<u>Notional expenses</u>				
- Staff costs	10,857	66,736	77,593	75,399
- Office costs	1,901	1,901	3,802	3,372
- Premises costs	1,962	5,885	7,847	15,584
- Other costs	-	16,547	16,547	17,043
- Professional costs	170	510	680	480
	15,577	92,267	107,844	113,179

Basis of allocation

Governance costs relate equally to the activities of raising funds and grants and donations.

The notional expenses represent the monetary value of the expenditure borne by The Worshipful Company of Tallow Chandlers in providing support services to the Trust. These notional expenses have been allocated between raising funds and grants and donation on the following basis:

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

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

6 ANALYSIS OF GRANTS	2017	2016
	£	£
Current year grants for the public benefit	309,930	233,175
Awards	11,871	14,250
Payments to institutions supporting the poor and pensioners connected with the Tallow Trade	500	700
	322,301	248,125
Movement in future grant commitments for the public benefit (Note 14)	37,736	52,750
	360,037	300,875

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

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

Name of Institution	Number of grants	Current year grants £
Greig City Academy	1	27,500
London Youth	1	20,000
Corelli College	1	20,000
Queen Mary University of London	1	17,500
Cubitt Town Junior School	1	15,000
SOAS	1	15,000
Treloar Trust	1	15,000
St Christophers Hospice	1	12,000
Reed's School	2	11,000
Into University	1	10,000
The Bridge School	1	10,000
City & Guilds	1	10,000
City of London Girls	1	8,000
City of London Boys	1	7,500
St Paul's Cathedral School	1	7,500
King Edwards, Witley	1	5,500
The Poppy Factory	1	5,500
Bankside Open Spaces Trust	1	5,000
Bateman's Trust	1	5,000
Generating Genius	1	5,000
Guildhall School Trust	1	5,000
The Jon Egging Trust	1	5,000
Manchester University	3	4,950
Clean Break Theatre Company	2	4,500
Action on Addiction	1	4,000
Arundel Castle Cricket Foundation	1	3,020

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

6 ANALYSIS OF GRANTS (continued)	Number of grants	Current year grants £
Cherry Trees Respite Home	1	3,000
London Youth Choir	1	3,000
Prostate Cancer Research Centre	1	3,000
The Creative Dimension Trust	1	3,000
Thomas Coram Foundation for Children	1	3,000
Lord Mayor's Appeal	1	2,500
Southwark Sea Cadets	1	2,250
East London Science School	1	2,000
Horners Company Science Open Doors	1	2,000
Ironbridge Gorge Museum Trust	1	2,000
London Wildlife Trust	1	2,000
MXNW London ACF	1	2,000
Friends of St Pauls	1	1,500
London Repertoire Orchestra	1	1,500
Mission to Seafarers	1	1,500
Sheriffs and Recorders' Fund	1	1,500
British Red Cross	1	1,000
City of London Volunteer Police Cadets	1	1,000
Dyslexia Action	1	1,000
Fine Cell Work	1	1,000
For Jimmy	1	1,000
London's Air Ambulance	1	1,000
Marylebone Project	1	1,000
Shepherds Bush Families Project and Children's Centre	1	1,000
The Robes Project	1	1,000
Grants of less than £1,000 were made totalling	18	6,710
		<u>309,930</u>

The following bursaries were made totalling £500 or more:

Name of Award	Number of awards	Total value £
City & Guilds Award	4	3,578
Anya Sturdy Award	1	5,000
Arkwright Scholarships Trust	1	2,200
Imber Lloyd Award	1	1,093
		<u>11,871</u>

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

7 GOVERNANCE COSTS

	2017 £	2016 £
Audit fees	660	600
Sundry costs	715	701
	1,375	1,301

8 TRUSTEES REMUNERATION

The Trust has no employees and there are no staff costs.

The Trustees receive no remuneration for their services and are not reimbursed for any expenses incurred.

The Trust considers its key management personnel comprise the Master and the Clerk.

9 FIXED ASSET INVESTMENTS

Investments are held primarily for providing an investment return for the charity.	2017 £	2016 £
UK Quoted investments		
Market value of quoted investments at the start of the year	7,309,544	7,416,072
Investment cash at beginning of the year	52,674	179,173
Market value of quoted investments and investment cash at the beginning of the year	7,362,218	7,595,245
Net new money invested	30,137	280,000
Investment cash and disposal proceeds reinvested	927,731	1,982,911
Less: Disposal proceeds	(1,054,373)	(1,856,410)
	(96,505)	406,501
	7,265,713	8,001,746
Change in market value of investments	1,305,455	(513,029)
Change in investment cash balance	126,646	(126,499)
	1,432,101	(639,528)
Market value of quoted investments and investment cash at the end of the year	8,697,814	7,362,218
Comprising:		
Market value of investments at the end of the year	8,518,494	7,309,544
Investment cash at end of the year	179,320	52,674
	8,697,814	7,362,218
Historical cost at year end	6,327,064	6,171,322

Included in change in market value of investments are realised losses of £252,251 (2016: £169,914).

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

10 DEBTORS

	2017	2016
	£	£
Tax recoverable (Gift aid)	11,896	15,203
Other debtors	92,053	65,813
	103,949	81,016

Included within other debtors is £25,000 (2016: £25,000) due from The Worshipful Company of Tallow Chandlers.

11 CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Accruals and deferred income	3,208	3,206
Grant commitments	230,493	199,100
	233,701	202,306

12 CREDITORS: amounts falling due after more than one year

	2017	2016
	£	£
Grant commitments	122,343	116,000

13 DEFERRED INCOME

	Under 1 year	Over 1 year	2017 Total
	£	£	£
At 6 April 2016	750	1,850	2,600
Additions during the year	-	-	-
Amounts released to income	-	-	-
At 5 April 2017	750	1,850	2,600

Deferred income relates to matched funding from BP for annual bursaries.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

14 ACCRUED FUNDING COMMITMENTS

	Under 1 year £	Over 1 year £	2017 Total £
Grant commitments at 6 April 2016	199,100	116,000	315,100
New commitments entered into in year	268,194	91,843	360,037
Grants paid during the year	(322,301)	-	(322,301)
Transfer between creditors	85,500	(85,500)	-
	31,393	6,343	37,736
Grant commitments at 5 April 2017	230,493	122,343	352,836

£337,836 (2016: £285,100) of accrued grant funding commitments are attributable to designated funds and £15,000 (2016: £30,000) are attributable to restricted funds.

15 RECONCILIATION OF MOVEMENT IN FUNDS

	General fund £	Designated fund £	Restricted fund £	2017 Total £
Balance at 6 April 2016	-	7,336,283	-	7,336,283
Income	-	583,102	15,000	598,102
Expenditure	-	(437,881)	(15,000)	(452,881)
Gains / (losses)	-	1,305,455	-	1,305,455
Total fund carried forward	-	8,786,959	-	8,786,959

Fund descriptions

a) General fund

Any funds which are not treated as designated or restricted funds are treated as general funds.

b) Designated fund

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

c) Restricted fund

The restricted fund derives from charitable receipts to be used for a specific purpose as per the donor's request.

TALLOW CHANDLERS BENEVOLENT FUND NO. 2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General fund	Designated fund	Restricted fund	2017 Total
	£	£	£	£
Investments	-	8,697,814	-	8,697,814
Current assets	-	445,189	-	445,189
Current liabilities	-	(233,701)	-	(233,701)
Non-current liabilities	-	(122,343)	-	(122,343)
	-	8,786,959	-	8,786,959

17 RELATED PARTY TRANSACTIONS

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Outstanding balances £
The Worshipful Company of Tallow Chandlers (controlled by the same body of Trustees)			
At 5 April 2016	136,878	111,878	25,000
At 5 April 2017	131,469	106,469	25,000

18 FIRST TIME ADOPTION OF FRS 102 and SORP (FRS 102)

The charity has transitioned from FRSSE to FRS 102 and SORP (FRS 102). This is the first year that the charity has presented its financial statements under Charities SORP (FRS 102). The last financial statements for the year ended 5 April 2016 were prepared under previous SORP (FRSSE 2015) and the transition date to Charities SORP (FRS 102) is therefore 6 April 2015. The application of the new SORP has not resulted in a restatement of the charity's funds for this year or the comparative period.