



BUTCHERS & DROVERS CHARITABLE INSTITUTION

FINANCIAL REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2016**

Registered Charity No. 1155703
Company No. 8880818

Butchers and Drovers Charitable Institution

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Butchers and Drovers Charitable Institution

CHARITY INFORMATION

TRUSTEES/DIRECTORS

I Kelly (Chairman) #*	A R Garvey #
E Hoefling (Treasurer) #*	G J Sharp #*
R Cracknell #*	J Sydenham *
D Clark #*	S E Hoefling *
E A Beddington # (Resigned 20 th January 2016)	

Committees:

- Grants Committee includes all trustees/directors and other Supporters
- * for Finance and Investments Committee
- # for Marketing & Fundraising Committee

COMPANY SECRETARY

Kingston Smith LLP

REGISTERED CHARITY NUMBER 1155703
COMPANY REGISTRATION NUMBER 8880818

REGISTERED OFFICE

Ground Floor, 4 Victoria Square
St Albans
AL1 3TF

Previously 105 St Peters Street, St Albans, AL1 3EJ

SOLICITORS

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

AUDITOR

RSM UK Audit LLP
Highfield Court
Tollgate, Chandlers Ford
Eastleigh, Hampshire
SO53 3TY

BANKERS

CAF Bank Ltd
Kings Hill
West Malling
Kent ME19 4TA

INVESTMENT ADVISERS AND PORTFOLIO NOMINEE ACCOUNT HOLDERS

Rathbones
1 North Gate, Chichester
PO19 1AT
CCLA
85 Queen Victoria St
London
EC4V 4ET

ACCOUNTANTS AND ADMINISTRATORS

Kingston Smith Association Management
Ground Floor, 4 Victoria Square
St Albans
AL1 3TF

Butchers and Drovers Charitable Institution

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Butchers and Drovers Charitable Institution (BDCI) is governed by the Articles of Association and objects approved by the Charity Commission in April 2014. This was a key stage in the incorporation of the charity. Registration at Companies House was filed on 6th February 2014 and approval was received from the Charity Commission on 3rd April 2014 for the change to incorporated status. All assets of the old charity have been transferred into the new incorporated charity. The Articles of Association were amended by special resolutions passed on 17th December 2014 & 5th May 2016.

The Charity is managed by a Board of directors/trustees, all of whom are members of the charity in accordance with the Articles of Association listed on page two. The Directors appoint from among its numbers a Chairman, a Treasurer and may appoint a President. The Articles of Association mandate three standing committees viz Finance and Investment; Grants; Marketing and Fundraising. The Charity's administration is currently carried out by the Secretariat provided by Kingston Smith Association Management. Day to day management of the Smoothfield homes is sub-contracted to Harrison Housing Ltd, a registered social landlord specialising in the provision of homes for the old and vulnerable.

Membership of the Charity is limited to 15 persons. New members may be sought by advertisement or through open dialogue with the many organisations or individuals with whom the charity is in regular contact.

The induction process for any newly appointed trustee comprises an initial meeting with the Chairman and Treasurer, if possible, or other members/officers of the charity who explain the operation of the charity and its committees and supplies the appointee with copies of the Articles, recent minutes and a copy of the latest report and accounts. The appointee is also given a copy of the Charity Commission's guidance *The Essential Trustee*, and advised of the Charity Commission's website address. All trustees sign a declaration confirming they have read the relevant sections of the Charities Act and are not disqualified from acting as a trustee. Qualifying third party indemnity provision is in place for the benefit of all trustees.

Risk Management

The trustees recognise their fundamental duty to protect the assets of their charity and to secure its application for the objects of the charity. In order to discharge this duty the trustees have continued to ensure that adequate internal financial and management controls over the charity's assets and their use are in place.

During the year, the trustees maintained a risk management procedure to enhance the level of internal controls already in place. The major risks the charity is exposed to have been identified and assessed. Suitable control systems have been identified and reviewed to mitigate those risks. Whilst recognising that it is sound practice to do so, the trustees continue to monitor these risks on a regular basis, or when new activities may warrant the imposition of new controls.

There are no significant events which affected the financial performance or financial position of the Charity during the year. The structure of the portfolio of investments is designed and maintained to avoid any undue concentration of risk in any sector of individual investment.

The principal risks facing the charity are identified and assessed against a template. The analysis identifies no significant and serious risk. The Charity contracts with third party advisors and suppliers for some services. In each instance, these are professional entities providing similar services to the wider market. In the case of legal and financial services, the advisors are regulated entities.

Butchers and Drovers Charitable Institution

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

As indicated in the financial statements (pages 10 to 22) the charity is currently adequately funded and not unduly exposed to financial risk. In the opinion of the Trustees, the Restricted and Unrestricted reserves are sufficient to fund the Charity for the foreseeable future.

OBJECTIVES AND ACTIVITIES

The objects of the Charity are the relief of distress among beneficiaries (a) by providing pensions and grants (b) by securing residential accommodation in Homes whether belonging to the Charity or to other bodies and (c) by providing other benefits and providing financial assistance for education connected with the meat industry. A Beneficiary is an individual who is either a butcher or drover or any other person who is or has been connected in any capacity with the Meat Trade in the United Kingdom or the Republic of Ireland, or the wife or widow, husband or widower, civil partner, surviving civil partner, son or daughter of such a person or of a deceased person who was eligible to be a beneficiary. (Article 3).

Historically the majority of the charity's resources were directed towards the provision of residential accommodation. However, changing social patterns, together with significant shifts in the retail meat trade mean that the balance of help has continued to move towards the award of an increasing number of one-off grants and financial assistance for education. From having seventy resident beneficiaries in the 1960s the number reduced to less than five. Accordingly the freehold site of the Smoothfield homes was sold in 2007 to KingsOak Limited, releasing a substantial capital sum which the charity applied in two ways: first, by purchasing sufficient flats in the open market to re-house its remaining residents, secondly by boosting its reserves through increased investments, the income from which will support a more ambitious grant-making programme.

The charity has noted some decline in the trend in the number of applicants who request a pension. However where applications are received seeking assistance for on going living expenses, pensions are awarded. The Trustees will continue to award pensions where it is perceived that it will assist the living standards of the beneficiary. In addition, the number of requests for grants for essential items is increasing.

BURSARY AND EDUCATION

The charity has initiated a new bursary scheme. Bursaries of up to £5,000 each per year will be awarded to students undertaking courses with relevance to the meat trade. The first awards were made with respect to the academic year 2015/16. Discussions with Harper Adams University to administer this scheme were successfully concluded during 2015. Harper Adams University have been appointed to administer the scheme for a trial period of 3 years.

GRANT MAKING POLICY

In pursuance of the objectives of the Charity, the Grants Committee meet regularly to consider applications for assistance. Each application is treated on its merits within the rules of the charity and a grants policy. Awards may be met by a single grant, continuing grants, by assistance with Nursing-home fees, or by grant of a charitable pension.

The cash assets of the charity, following the sale of the Smoothfield site has permitted a more ambitious approach to grants. At present, many applicants are referred to the charity by service welfare charities and it is recognised that as those who served in the Second World War and even those who performed National Service gradually decline in number, other sources of referral will assume greater importance. The charity continues to investigate the potential to assist suitably qualified beneficiaries by marketing and contact with industry sources. In this respect, a professional PR company has been appointed to assist in the identification of potential beneficiaries as well as possible sources of donation and support.

In common with other similar benevolent funds, the BDCI receives comparatively few applications directly through the meat trade. By the time an applicant requires help they have often left work or might in any case feel reluctant to solicit help through former colleagues. Accordingly the charity has supported initiatives such as the Occupational Benevolent Funds Alliance website joblinks.co.uk which provides a "one-stop shop" for anybody

Butchers and Drovers Charitable Institution

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FOR THE YEAR ENDED 31 DECEMBER 2016

seeking help. OBFA promote the site collectively to organisations such as Citizens Advice Bureau who are often the first port of call for those in financial need.

ACHIEVEMENTS AND PERFORMANCE

The Secretariat receives a considerable number of enquiries for assistance each year. Where the potential applicant clearly does not qualify under the charity's guidelines advice is given as to possible alternative sources of assistance. Where the applicant does qualify they are asked to complete a simple form which, together with supporting documents, goes before the Grants Committee. This committee met 8 (2015: 8) times during the year and considered 77 (2015: 83) applications for assistance. Applications varied greatly in the nature of the appeal, but the eligibility of successful candidates remains strong.

Of the 77 (2015: 83) applications considered, 62 (2015: 62) were successful. It is evident from the many letters of thanks that the Charity receives each year that the difference in quality of life that the grant make possible is much appreciated by the recipients.

Other successful applicants were awarded grants for items as diverse as bathroom adaptations, central heating boilers, white goods, mobility scooters and essential property repairs. Grants awarded had an average value of £1,000 (2015: £1,323) although with its income the charity has been able to make several grants of between £2,000 and £5,000.

Since occupation of the flats at Smoothfield in November 2007, the residents have settled and been able to enjoy their new facilities. Harrison Housing Ltd manages the block on behalf of the BDCI. Mrs Brigita Kacinkeviciene of Harrison Housing contacts the beneficiary residents who occupy two of the flats every day and visits each week, or more often if there are urgent demands. The residents continue to benefit from the 24-hour emergency help line provided by Hounslow Council at the expense of the charity and our remaining two beneficiary tenants receive additional service from an appointed qualified agency to replace the work previously provided for many years by Mrs Celia Haffenden who retired at the end of 2015.

Each year the trustees appoint a Festival Chairman, to promote the charity, inform the trade of the charity's work, and raise funds. The Festival Chairman for the year 2016 was Steve Crosby, Chairman of Riverway Foods. The main fundraising effort was, as usual, the annual Festival Dinner held at the Grosvenor House Hotel in London in October, which was attended by approx. 740 people this year. The Trustees are grateful to all companies which made generous contributions to the auction and raffle.

The charity is indeed grateful to all donors.

FINANCIAL REVIEW

During 2016 investment income marginally increased (1.68%) largely as a result of changes in the economic environment. As has been the case in the recent past the principal fundraising event was the Annual Dinner at the Grosvenor House Hotel. In 2016 the event was organised solely for the benefit of the charity. The competitive pressures in the meat trade had some effect on the attendance at the Festival Dinner. However the event remained highly accretive to the funds of the charity. Income in respect of the Festival Dinner in 2016 was £44,913 (2015: £67,534). This is considered to be comparable with the average of the last few years. Other fund raising events were organised during the year. These included the now regular golf day. These other events raised £5,210 (2015: £13,531) in aggregate.

With the demise of some of the beneficiaries who formerly occupied the Charity's flats at Smoothfield in Hounslow, a number of flats are now let to tenants on a commercial basis. The Trustees do not consider the flats as investment properties although income from these assets have been treated as investment income.

Total Incoming resources for the charity in 2016 decreased by 4.6% to £647,084, largely due to the reduced level of funds raised during the year.

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FOR THE YEAR ENDED 31 DECEMBER 2016

Expenditure on all categories of charitable activity amounted to £286,092 (2015: £231,130), other expenditure to £250,986 (2015: £266,544), producing a surplus on the operating account of £110,006 (2015: £180,264).

The Smoothfield properties have now been held by the charity for nine years. In accordance with best practice, a professional revaluation was undertaken as at 31 December 2015. The aggregated valuation was £2,764,500. This represents an increase in value of £969,000 (54%) over the last valuation in 2010 (£1,795,500 against the original valuation).

The Trustees remain confident that their investment policy is sound and that income from investments continues to be adequate and appropriate to the Charity's needs.

Reserves Policy

As part of the process of incorporation, the objects of the charity were made wider. Specifically this was twofold. Firstly the objects now allow for the inclusion of applications for assistance from beneficiaries in the Republic of Ireland. Secondly the requirement that all beneficiaries are over 60 or unable to work has been removed. As a result in accordance with the requirements of the Charity Commission, the reserves of the charity must be allocated to 'Restricted', which refers to the objects under the old rules of the charity and 'Unrestricted' which refers to funds raised after April 2014, less payments made under the new objects.

With effect from April 2014, all income from Charitable activities is allocated to the Unrestricted fund. The major source of this is the Festival Dinner and other fund raising activities. Since the inception of the fund at incorporation and approval of the wider objects by the Charities Commission, the balance of the Unrestricted fund has risen to £193,102 (2015 £156,093). The Charitable expenditure against the Unrestricted fund was £22,568 (2015 £15,177). The Trustees are therefore satisfied that the Unrestricted fund is at least sufficient to meet future demands. The Trustees have agreed the level of reserves should be sufficient to meet the demands under the new objects.

The Charity's Restricted Reserves comprise Permanent Endowment, leasehold property and investment in equities, bonds and cash. The leasehold property, acquired in 2007, is reported unchanged compared with market value as at 31 December 2015. In view of a continuing demand on the Charity's resources, and the uncertain level of income from annual fundraising efforts, the Trustees maintain that current levels of Restricted Reserves are not excessive. Assets are adequate to fulfil the obligations of the Charity and the majority of funds are realisable at short notice.

The Charity's Unrestricted Reserves comprise cash raised on and after 3 April 2014 less grants and other charitable payments made under the new objects of the charity. In view of a continuing demand on the Charity's resources, and the uncertain level of income from annual fundraising efforts, the Trustees maintain that current levels of Unrestricted Reserves are not excessive. Assets are adequate to fulfil the obligations of the Charity and are realisable at short notice.

Investment Policy

The Trustees' investment policy aims to achieve three objectives:

- Funding: to ensure that over time sufficient assets are available to meet the needs of potential beneficiaries;
- Security: to ensure that the downside risks of market movements are minimised;
- Stability: to have regard to the Trustees' ability to meet its liabilities on a year-by-year basis.

Undue concentration of risk is avoided by diversification within and across a number of major asset classes. The performance of the Charity's investment managers is reviewed regularly against relevant benchmark indices. During the year, the investment performance was consistently at or above the benchmarks.

During the year Trustees considered whether any specific company or industry should be excluded from the charity's investment portfolio on the grounds of conflict with the charity's stated objectives and concluded that no conflict on these grounds existed. However the Trustees aim to observe responsible investment principles. The charity's investment managers are expected to take into consideration the environmental, social and governance

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

characteristics of existing and prospective investments, where this is practicable and proportionate in the context of overall investment policy.

PLANS FOR THE FUTURE

The Trustees continue their efforts to publicise the activities of the charity to those who might be eligible for help and review the level of fundraising required in light of the current requests for assistance.

REMUNERATION POLICY FOR SENIOR MANAGEMENT

The directors consider the board of directors, who are the Charity's trustees, to be the personnel of the charity in charge of directing and controlling, and have employed the services of Kingston Smith Association Management for the running and operating of the Charity on a day to day basis as disclosed in note 4. All directors give of their time freely and no director received remuneration in the year in respect of the day to day operations as noted above. However where specific projects requiring specialist knowledge and experience are undertaken, which are considered without the normal operations of the charity, remuneration will be considered. Rates of remuneration will be considered against levels which would otherwise be payable for such work from a similarly qualified and experienced third party. Details of directors' remuneration and expenses and related party transactions are disclosed in note 16 to the accounts.

PUBLIC BENEFIT

As noted in this report, the Trustees meet regularly to review the needs to the charity's beneficiaries and efforts are made to ensure that potential beneficiaries are aware that funds are available. In doing so, the Trustees have taken the Charity Commission's guidance on Public Benefit into consideration.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Butchers and Drovers Charitable Institution for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also

Butchers and Drovers Charitable Institution

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE TO AUDITOR

In so far as the Trustees are aware at the time of approving the trustees' report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken 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.

This report and accounts have been prepared in accordance with the special provisions of Part 15 of the companies Act 2006 relating to small companies.

AUDITOR

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

Approved by the Trustees and signed on their behalf by:

Ian Kelly
Chairman
6th June 2017



Butchers and Drovers Charitable Institution

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUTCHERS AND DROVERS CHARITABLE INSTITUTION

Opinion on financial statements

We have audited the financial statements of Butchers and Drovers Charitable Institution for the year ended 31 December 2016 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 (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees' Report.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Highfield Court, Tollgate
Chandlers Ford, Eastleigh
Hampshire, SO53 3TY

Date *9 June 2017*

Butchers and Drovers Charitable Institution

STATEMENT OF FINANCIAL ACTIVITIES FOR

THE YEAR ENDED 31 DECEMBER 2016 (incorporating income and expenditure account)

	Notes	Unrestricted General Fund £	Restricted Fund £	Permanent Endowment Fund £	Year ended 31/12/16 £	Year ended 31/12/15 £
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	2	6,893	-	-	6,893	3,005
Charitable Activities			18,200	-	18,200	18,200
Other Trading Activities - Fundraising	2	195,303	-	-	195,303	225,629
Investment Income	3	4,322	417,248	-	421,570	414,611
Other Income		-	5,118	-	5,118	16,493
Total Income		206,518	440,566	-	647,084	677,938
EXPENDITURE ON:						
Raising Funds	2/4	146,941	75,603	-	222,544	242,443
Charitable Activities	5	22,568	263,524	-	286,092	231,130
Other	7	-	28,442	-	28,442	24,101
Total Expenditure		169,509	367,569	-	537,078	497,674
Net gains/(losses) on investments	9	-	938,295	35,456	973,751	(186,203)
Net Income/ (expenditure)		37,009	1,011,292	35,456	1,083,757	(5,939)
Other Recognised Gains/(Losses):						
Gains/ (losses) on revaluation of Fixed Assets	8	-	-	-	-	969,000
Net movement in funds		37,009	1,011,292	35,456	1,083,757	963,061
Reconciliation of funds:						
Total Funds brought forward 1 January		156,093	11,417,002	361,799	11,934,894	10,971,833
Total Funds carried forward 31 December		193,102	12,428,294	397,255	13,018,651	11,934,894

None of the charity's activities were initiated or discontinued during the two financial periods reported above.
The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.
The notes on pages 14 to 22 form part of these financial statements.

Butchers and Drovers Charitable Institution

STATEMENT OF FINANCIAL ACTIVITIES FOR

THE YEAR ENDED 31 DECEMBER 2016 (incorporating income and expenditure account)

2015 Figures for comparison

	Notes	Unrestricted General Fund £	Restricted Fund £	Permanent Endowment Fund £	Year ended 31/12/15 £
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	3,005	-	-	3,005
Charitable Activities		-	18,200	-	18,200
Other Trading Activities - Fundraising	2	225,629	-	-	225,629
Investment Income	3	2,682	411,929	-	414,611
Other Income		-	16,493	-	16,493
Total Income		231,316	446,622	-	677,938
EXPENDITURE ON:					
Raising Funds	2/4	146,563	95,880	-	242,443
Charitable Activities	5	15,177	215,953	-	231,130
Other	7	-	24,101	-	24,101
Total Expenditure		161,740	335,934	-	497,674
Net gains/(losses) on investments	9	-	(178,442)	(7,761)	(186,203)
Net Income/(Expenditure)		69,576	(67,754)	(7,761)	(5,939)
Other Recognised Gains/(Losses)					
Gains/(Losses) on Revaluation of Fixed Assets	8	-	969,000	-	969,000
Net movement in funds		69,576	901,246	(7,761)	963,061
Funds brought forward 1 January		86,517	10,515,756	369,560	10,971,833
Funds carried forward 31 December		156,093	11,417,002	361,799	11,934,894

Butchers and Drovers Charitable Institution

BALANCE SHEET

AS AT 31 DECEMBER 2016

Company No. 8880818

	Notes	31 December 2016 £	31 December 2015 £
FIXED ASSETS			
Tangible assets	8	2,764,500	2,764,500
Investments	9	9,955,839	8,782,087
Total Fixed Assets		12,720,339	11,546,587
CURRENT ASSETS			
Debtors	10	83,314	72,686
Cash at bank		309,668	354,515
Total Current Assets		392,982	427,201
CREDITORS: Amounts falling due within one year	11	(94,670)	(38,894)
NET CURRENT ASSETS		298,312	388,307
TOTAL ASSETS LESS CURRENT LIABILITIES		13,018,651	11,934,894
THE FUNDS OF THE CHARITY			
Permanent Endowment	12	397,255	361,799
Restricted Fund	13	12,428,294	11,417,002
Unrestricted General Fund	14	193,102	156,093
		13,018,651	11,934,894

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Accounts were approved by the Trustees and authorised for issue on 6th June 2017 and signed on their behalf by:



E Hoefling
Treasurer

The notes on pages 14 to 22 form part of these financial statements.

Butchers and Drovers Charitable Institution

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Cash flows from operating Activities		
Net (Expenditure)/Income for the year	110,006	180,264
Adjustments for:		
Investment Income	(421,570)	(414,611)
Decrease/(Increase) in debtors	(10,628)	32,963
(Decrease)/Increase in Creditors	55,776	(10,951)
Net cash (used in) /operating activities	(266,416)	(212,335)
Cash flows from investing activities		
Purchase of Investments	(756,899)	(517,602)
Proceeds from disposals	707,877	264,684
Increase in retained cash for investment	(150,979)	252,918
Interest and Dividends and Rent from Investments	421,570	414,611
Net cash from investing activities	221,569	414,611
Change in cash and cash equivalents in the year	(44,847)	202,276
Cash and cash equivalents at beginning of the year	354,515	152,239
Cash and cash equivalents at end of the year	309,668	354,515

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1a Basis of accounting and going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments and property which are recognised at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)) and the Companies Act 2006.

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

The Trustees confirm that at the time of approving the financial statements, there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the Trustees have taken account of current and anticipated financial performance in the current economic conditions, and the Charity's reserves position and there are no material uncertainties. For this reason, the going concern basis continues to be adopted in the preparation of the Charity's financial statements.

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.

1b Fund Accounting

The bulk of the charity's funds are held in the form of restricted funds represented by leasehold property and investments in equities, bonds and cash. In addition there is a Permanent Endowment, The George and Mabel Inez Clayton Fund received by way of legacy in 1990. This is described in note 12.

Unrestricted funds are available to spend on activities that further any of the purposes of the charity as defined in the Articles following amendment in April 2014.

The funds of the charity must be allocated to 'Restricted', which refers to the objects under the old rules of the charity and 'Unrestricted' which refers to funds raised after April 2014, less payments made under the new objects.

1c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be reliably measured.

All income is accounted for on an accruals basis, except for interest on the COIF funds which is recognised on a receipts basis. Rental income for flats occupied by residents who do not qualify as beneficiaries of the charity is regarded as investment income. Rental income from beneficiaries is stated separately in the SOFA under charitable activities.

1d Expenditure

All expenditure is accounted for on an accruals basis. The Trustees recognise a long-term and compelling moral obligation to maintain pensions and nursing home fees once granted, wherever possible and appropriate. However all pensions are subject to a quarterly review so the actual liability recognised in the accounts is confined to one quarter beyond the year end.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

- Costs of raising funds comprise the costs of the Annual Dinner, Golf Day, Investment management, Communications and support cost allocation.
- Expenditure on charitable activities includes the cost of Grants, Bursaries, Smoothfields, Pensions and support cost allocation.
- Other expenditure represents those items not falling into any other heading, including the governance costs of the charity.

1e Apportionment of Overhead and Support Costs

Overhead and support costs are allocated first between charitable activity and governance. Overhead and support costs relating to Charitable Activities are apportioned based on an estimate of staff time provided at the end of the year by the Secretary and approved by the trustees. Note 4 to the accounts provides the basis of allocation between expenditure headings.

1f Tangible Fixed Assets

Tangible Fixed Assets comprise leasehold property.

During the first three years after acquisition fixed assets were stated at cost. In accordance with the Trustees views these properties were professionally revalued as at 31 December 2015. Professional revaluations will be continued at intervals no greater than five years.

An annual impairment review is undertaken in the intervening period. Net realisable value is maintained over carrying value. Accordingly there is no charge for depreciation.

1g Investments

Investments are stated at fair value, being the mid price market value at the Balance Sheet date. Both realised and unrealised gains are accounted for through the Statement of Financial Activities in the year in which the sale or revaluation takes place. Gains and losses are allocated between the funds in proportion to the investments held in each fund.

1h Grant making

Grants are made on a one-off basis and there is no continuing liability other than to honour pledges as detailed in note 11. In addition, support and bursaries may be offered as payments to beneficiaries on a regular basis for a limited period. When such grants or awards are made the charity has a liability to make such payments for the period agreed, and these are shown as a liability on the balance sheet.

1i Financial Instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

Other financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1j Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The Trustees do not believe there are any significant judgements and estimates that have significant effect on amounts recognised in the financial statements.

2 FUNDRAISING ACTIVITY

The Fundraising Activity costs are attributable to income generation from donations, legacies, gifts and fundraising activities. The income generated from incurring these costs is therefore:

	Year ended 31/12/16	Year ended 31/12/15
	£	£
INCOME		
Donations, Legacies and Gifts	6,893	3,005
Fundraising Activities	195,303	225,629
EXPENDITURE		
Direct Costs of Fundraising Activities	(217,495)	(237,016)
Support Costs of Fundraising Activities (see note 4)	(5,049)	(5,427)
Surplus/(deficit) arising	(20,348)	(13,809)

After 3rd April 2014 all income from donations and fundraising events are attributed to the unrestricted fund.

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

3 INVESTMENT INCOME

	Year ended 31/12/16 £	Year ended 31/12/15 £
Income from equities	194,678	184,243
Income from fixed interest securities	27,258	30,474
Income from Common Investment Funds	110,534	114,001
Bank Interest	-	-
	<u>332,470</u>	<u>328,718</u>
Property Income	89,100	85,893
	<u>421,570</u>	<u>414,611</u>

Investment Income has been split between Unrestricted & Restricted funds using the percentage of total funds brought forward which was 1.3% (2015 0.8%) to Restricted funds and the remaining Unrestricted.

4 ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Kingston Smith Association Management costs total £25,246 (As the charity has no employees Kingston Smith Association Management are deemed to be the key management personnel of the charity). Management costs apportioned as follows, based on staff time:

	%	£
Charitable Expenditure	60	15,148
Fundraising activity	20	5,049
Other - Governance	20	5,049
	<u>100</u>	<u>25,246</u>

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

5 ANALYSIS OF CHARITABLE ACTIVITIES

Cost Type	Charitable Activity	Support Costs	Year ended	Year ended
			31/12/16	31/12/15
	£	£	£	£
Smoothfield Homes (see note 6)	44,179	5,049	49,228	28,424
Pensions	111,450	3,367	114,817	109,167
One-off Grants to individuals	75,571	5,049	80,620	87,470
Bursary Scheme	39,744	1,683	41,427	6,069
	<u>270,944</u>	<u>15,148</u>	<u>286,092</u>	<u>231,130</u>

Grants under the new wider scope of the Charity have been attributed to the unrestricted fund.

ANALYSIS OF CHARITABLE ACTIVITIES 2015 COMPARATIVE

Cost Type	Charitable Activity	Support Costs	Year ended
			31/12/15
	£	£	£
Smoothfield Homes (see note 6)	22,997	5,427	28,424
Pensions	105,550	3,617	109,167
One-off Grants to individuals	82,043	5,427	87,470
Bursary Scheme	4,260	1,809	6,069
	<u>214,850</u>	<u>16,280</u>	<u>231,130</u>

Grants under the new wider scope of the Charity have been attributed to the unrestricted fund.

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

6 ANALYSIS OF CHARITABLE ACTIVITY AT SMOOTHFIELD HOMES

	Year ended 31/12/16	Year ended 31/12/15
	£	£
Property expenses	42,292	20,512
Agency management	1,887	2,485
	<u>44,179</u>	<u>22,997</u>

7 OTHER - GOVERNANCE COSTS

	Year ended 31/12/16	Year ended 31/12/15
	£	£
Bank charges	171	123
Audit fees	10,458	10,452
Meeting Costs and Sundry Expenditure	4,175	2,211
20% apportionment of management charges	5,049	5,427
Other professional fees	8,589	5,888
	<u>28,442</u>	<u>24,101</u>

8 TANGIBLE FIXED ASSETS (Leasehold Property)

	2016 £	2015 £
COST		
Brought forward at 1 January	2,764,500	1,795,500
Revaluation	-	969,000
	<u>2,764,500</u>	<u>2,764,500</u>
Carried forward at 31 December		

A market valuation was conducted at 31st December 2015 by Dunphys Chartered Surveyors and the trustees consider that no impairment is required for 2016.

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

9 INVESTMENTS

	2016 £	2015 £
Market value at 1 January (less opening cash)	8,778,243	8,711,528
Additions	756,899	517,602
Disposals	(707,877)	(264,684)
Gain/(loss) upon disposal and revaluation of investments	973,751	(186,203)
Retained cash for re-investment	154,823	3,844
Market value at 31 December	9,955,839	8,782,087

	%	2016 £	%	2015 £
Analysis of Investments				
Quoted investments at market value				
Fixed interest	7	688,089	10	890,721
Equities	59	5,906,734	57	5,056,645
Common Inv. Fund – Equity based	27	2,678,900	26	2,332,048
Common Inv. Fund – Fixed Interest	5	527,293	6	498,829
Cash retained for re-investment	2	154,823	1	3,844
Market Value at 31 December	100	9,955,839	100	8,782,087

Analysis of listed Investments forming more Than 5% of the portfolio:	Market value	% of portfolio	Market value	% of portfolio
	2016	2016	2015	2015
CCLA COIF Fixed Interest Fund	527,293	5.3	498,829	5.7
CCLA COIF Equity Fund	594,595	6.0	529,960	6.0
CCLA COIF Charity Investment Fund	2,084,305	20.9	1,820,088	20.5

10 DEBTORS

	2016 £	2015 £
Trade debtors	22,220	21,950
Other debtors	6,490	1,310
Prepayments and Accrued Income	54,604	49,426
	83,314	72,686

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

11 CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade Creditors	55,220	6,552
Pledged grants not paid	15,500	6,200
Accruals and Other Creditors	<u>23,950</u>	<u>26,142</u>
	94,670	38,894

12 PERMANENT ENDOWMENT

	Balance at 31/12/15 £	Movement in funds Gains/(losses) £	Balance at 31/12/16 £
George and Mabel Inez Clayton Fund	361,799	35,456	397,255

The George and Mabel Inez Clayton Fund was received by way of a legacy in 1990. Income is available for general purposes. The fund is represented by fixed-asset investments, as per note 15.

13 RESTRICTED FUNDS

Balance at 01/01/16 £	Incoming Resources £	Outgoing Resources £	Gains and losses £	Balance at 31/12/16 £
11,417,002	440,566	(367,569)	938,295	12,428,294

As part of the process of incorporation, the objects of the charity were extended. Specifically this was twofold. Firstly the objects now allow for the inclusion of applications for assistance from beneficiaries in the Republic of Ireland. Secondly the requirement that all beneficiaries are over 60 or unable to work has been removed. As a result in accordance with the requirements of the Charity Commission, the reserves of the charity must be allocated to 'Restricted', which refers to the objects under the old rules of the charity.

14 GENERAL UNRESTRICTED FUNDS

Balance at 01/01/2016 £	Incoming Resources £	Outgoing Resources £	Gains and losses £	Balance at 31/12/16 £
156,093	206,518	(169,509)	-	193,102

Butchers and Drovers Charitable Institution

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

15 ASSETS BY FUND

FUNDS	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Restricted	2,764,500	9,558,584	105,210	12,428,294
General	-	-	193,102	193,102
Endowment	-	397,255	-	397,255
Total Funds	2,764,500	9,955,839	298,312	13,018,651

16 TRUSTEES REMUNERATION AND REIMBURSEMENT OF EXPENSES

One Trustee Edward Hoefling received payment for consultancy services during the year totalling £3,594 (2015: £1,800).

One Trustee received reimbursement of expenses during the year totalling £246 (2015: £477)

There have been no donations to the charity from the trustees or key management personnel.

17 FINANCIAL INSTRUMENTS

The carrying value of the Charity's financial instruments as at 31 December were:

	2016 £	2015 £
Financial Assets		
Debt Instruments measured at amortised cost		
Trade Debtors	22,220	21,950
Other Debtors	6,490	1,310
Accrued Income	308	634
Cash and Cash Equivalent	309,668	354,516
Investments measured at fair value	9,955,839	8,782,087
Total	10,294,525	9,160,497
Financial Liabilities		
Measured at amortised cost		
Trade Creditors	55,220	6,552
Pledged Grants not paid	15,500	6,200
Accruals and Other Creditors	23,950	26,142
Total	94,670	38,894

18 CORPORATION TAX

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.