

Charity Registration No. 211169

**ROBERT KITCHIN (SADDLERS' CO)**  
**(ADMINISTERED BY THE WORSHIPFUL**  
**COMPANY OF SADDLERS)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2017**

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**31 March 2017**

**Contents**

	<b>Page</b>
Trust information	2 - 3
Trustees' report	4 - 7
Independent auditors' report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 17

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Trust information - 31 March 2017**

**Reference and administrative information**

**Trustees**

The Charity is described in the Charity Commission Scheme of 9 May 1891, as varied by later Schemes, as being "administered and managed by the Saddlers' Company" (the "Company"). The Company is guided by the Court of Assistants comprising the Prime Warden (or Master if there is no Perpetual Master), three Wardens, a number of Past Masters and up to four Junior Assistants, but not including Assistants who have become Honorary Assistants. These Court members are therefore the Trustees of the Charity. Those who have served during the year ended 31 March 2017 are as follows:

Mr J C Robinson	(Prime Warden – from 20 July 2016   Key Warden – to 20 July 2016)
Mr E H Thomas	(Key Warden – from 20 July 2016   Quarter Warden – to 20 July 2016)
Mr J D G Welch	(Quarter Warden – from 20 July 2016   Renter Warden – to 20 July 2016)
Mr N W d'A Mason	(Renter Warden – from 20 July 2016)
Mr C E Barclay	(Prime Warden – to 20 July 2016)
Mr D J Serrell-Watts	Resigned (moved to Honorary Assistant) July 2016
Mr H J C Pulley	
Mr D S Snowden	
Mr M A C Laurie	
Mr D T L Hardy	
Mr J T M Satchell	
Mr H S Dyson-Laurie	
Mr W J Dyson-Laurie	
Mr I L J Pulley	
Mr J E Godrich	
Mr P L H Lewis	
Mr P C Laurie	
Mr P M Farmar	
Mrs P M C Jameson	
Mr M P Farmar	
The Hon M A Maffey	(Junior Assistant)
Mrs L M Atherton	(Junior Assistant)
Mr H W M Taylor	(Junior Assistant)
Mr B W Laurie	(Junior Assistant)

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Trust information - 31 March 2017**

**Reference and administrative information (continued)**

**Chief Executive**

Clerk to the Worshipful Company of Saddlers

Brigadier P M L Napier OBE

**Principal office**

Saddlers' Hall  
40 Gutter Lane  
London  
EC2V 6BR

**Charity number**

211169

**Investment managers**

Rathbone Brothers plc  
1 Curzon Street  
London  
W1J 5FB

**Bankers**

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

**Auditors**

Moore Stephens LLP  
150 Aldersgate Street  
London  
EC1A 4AB

**Solicitors**

Monro Wright & Wasbrough LLP  
7-8 Great James Street  
London.  
WC1N 3DF

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Trustees' report – year ended 31 March 2017**

**Trustees' report for the year ended 31 March 2017**

The Trustees present their report and the financial statements of the charity "Robert Kitchin (Saddlers' Co)", commonly referred to as "Kitchin's Charity", for the year ended 31 March 2017. The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102 (FRS 102).

**Structure, governance and management**

Trust Deed: Robert Kitchin, in his will of 10 March 1555, left funds for the poor of the parish and the upkeep of the parish church of St Ethelburga in the City of London. Subsequent Charity Commission schemes have sought to interpret his wishes in changed times and circumstances. Currently, Kitchin's Charity is regulated by the Charity Commission Scheme of 9 May 1891, last varied on 24 October 2005.

Induction of Trustees: New members of the Court of Assistants of the Worshipful Company of Saddlers are elected by the Court from those members of the Senior Livery of the Company. On election, they are briefed by the Clerk on the duties and responsibilities of being a charity trustee, and are encouraged to attend external training seminars and courses. The Charities Administrator and the Financial Controller run induction sessions explaining charity finance and policies and procedures. The issues of outputs, outcomes, impact and public benefit are explored.

Trustee Responsibilities: The full Court retains ultimate trustee responsibility, however for more effective trusteeship, the functions of trusteeship are delegated to the Charities Committee. The Court retains a supervisory role, and approves all grant-making decisions; however recommendations to make grants, and the day to day management of the charity, are the responsibility of the Charities Committee which reports to the Court after every meeting. The Court's Finance and Investment Committee decides on investment policy and takes day-to-day investment decisions within the overall investment strategy.

Risk Assessment Policy: The Charities Committee carries out, at least once per year, a wide ranging review of risks to which the Charity may be vulnerable to assess the probability of any of them affecting the Charity and the severity of the impact on the Charity if they were to arise. The latest review was conducted in November 2016 and the Trustees agreed that the process had been thorough and appropriate and that they could confidently state that the major risks to which the Charity is exposed have been reviewed and that systems are in place to mitigate any foreseeable risks.

The major risk to which the charity is exposed is the performance and value of its investments given the potential market volatility. This is mitigated by statement of investment principles, quarterly detailed reporting and regular review meetings with the investment managers.

**Objectives, grant-making policy and public benefit**

Under the current Charity Commission Scheme, the incoming resources, after deducting governance costs, are applied as follows:

- a) 50 per cent to City University London, to be applied for such charitable purposes in furtherance of the objects of the University for which provision is not made from public funds;
- b) 15 per cent to the Trustees of the St Ethelburga's Centre for Reconciliation and Peace to be applied by the said Trustees in defraying the cost of the upkeep, repair, maintenance, insurance and improvement of the fabric and contents of the church building of St Ethelburga, Bishopsgate in the City of London and its garden and appurtenances and in meeting the cost of the work undertaken at the St Ethelburga's Centre for Reconciliation and Peace; and
- c) 35 per cent, in furthering in such ways as the Company thinks fit in accordance with rules to be made by the Company, the education and training of persons who are under the age of 25 years and are in need of financial assistance: Provided that preference shall be given to persons qualified as aforesaid who are or have been resident or have attended educational establishments in the City of London and subject thereto in Greater London.

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Trustees' report – year ended 31 March 2017**

**Objectives, grant-making policy and public benefit (continued)**

Items (a) and (b) do not allow for any discretion by the Trustees of Kitchin's Charity for so long as the Council of the City University London and the Trustees of the St Ethelburga's Centre for Reconciliation and Peace can demonstrate to the Trustees of Kitchin's Charity that they are able to accept grants that would comply with the Charity Commission Scheme's criteria. Due diligence is carried out on an ongoing basis by the Charities' Committee, the Clerk and the Charities Administrator to ensure that any proposed grants will comply with the Scheme, have tangible outcomes/ impact and are truly for public benefit. This includes regular activity reports and contact with senior representatives of those two organisations in addition to having Saddlers representation on the Court and Advisory Board of the City University London

In relation to item (c), the trustees recommend grants based on the strength of applications received and engagement with the Charities Trustees and Administrator. It is their policy that they will only provide grants, or fund projects, which clearly demonstrate impact aligned with the charities aims, and are of public benefit. In the last two years Trustees have added to unrestricted reserves when there have been insufficient worthy applications for the full grant fund available for distribution.

In line with the Company's 2016 Charities Review, which seeks to maximise outcomes and impact where it aligns not only with the trust rules but also the objectives of the Company as enshrined within its Royal Charter, discretionary grants have been made to support such initiatives as Alternative Individual Tuition at the City of London Academy Islington, bursaries and equipment for students attending Capel Manor College in Enfield, the XLP Project in Tower Hamlets, and riding instruction for pupils at Beormund Primary School in Southwark.

**Investment policy**

The Trustees decided on 21 July 1998 to grant a long-term lease on Roman Wall House, located in central London - then the principal asset of the Charity - and to invest the capital to create a more prudent and diversified investment for the long-term benefit of the Charity.

The Trustees wish to ensure that the capital base of the Charity is at least maintained in real terms and where possible, enhanced in the long-term interest of those organisations which the Charity assists.

The Trustees have agreed that their investment policy would best be executed by moving Robert Kitchin's investments, along with all the investments of the other charities administered by The Worshipful Company of Saddlers (WCS), namely the Saddlers Company Charitable Fund and the Apprenticing Charity's (see note 7), into a balanced discretionary portfolio administered by charity investment specialists, Rathbone Brothers plc. The Kitchin's investments were transferred to a Rathbone nominee account by December 2015 and this portfolio was unitised as at 1<sup>st</sup> April 2016, whereby the individual charities share in the benefits of a larger, more diverse and balanced portfolio, all benefitting equally from capital appreciation and dividend yields.

The performance of the portfolio is monitored on a quarterly basis by the Finance and Investment Committee of WCS. After a disappointing 2015-16 for stock markets, 2016-2017 was a good year for the investment market.

The Kitchin's investments performed well, and in line with the revised investment strategy, with the market value increasing by £430k (12%), with realised gains of £89,817 and unrealised gain of £357,395. However partly as a consequence of the change in investment strategy, and with an absence of one off distributions as in 2015, the income from investments decreased during the year.

There are no restrictions on the Charity's power to invest.

The Trustees regard it as their primary duty to generate the optimum total return of the Fund's investments, accepting the need to encourage best practice in socially responsible investment (SRI). In this way stocks are not specifically excluded from portfolios, but assurances on SRI issues are sought from the fund manager.

**Robert Kitchen (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Trustees' report – year ended 31 March 2017**

**Reserves policy**

Kitchen's Charity is somewhat prescribed in its distribution, with 65% of its net incoming resources being non-discretionary and the 35% discretionary element being directed within fairly narrow criteria - including additional sums to the non-discretionary beneficiaries. The non-discretionary distribution of net incoming resources is expressed in percentage terms; there are no fixed sums of money that the Trustees are obligated to provide.

The Trustees reviewed the Reserves policy in 2016 and decided in the light of additional, unbudgeted income in the year 2015-16 to maintain an unrestricted reserve from the discretionary element of the income to allow it to fund new projects that might result from the finalised Saddlers Company Charity Review. The unrestricted reserve level at the year end was £27,743 (2016: £29,225).

In future years the Trustees intend to distribute each year the net discretionary element of the income arising in the previous year. Therefore there is no need to retain additional reserves and the current level of reserves will be distributed in the next couple of years.

**Financial review**

The Charity had total incoming resources of £103,562 (2016: £201,882), down on the prior year partly as a result of the change in investment policy (£55k) but also without the £43k of 'one off' income in 2016.

After grants of £100,833 (2016: £163,042) and investment management fees of £18,709 (2016: £7,600), support and governance costs of £4,211 (2016: £4,214) the Charity had a net deficit for the year of £20,191 (2016: £27,026 surplus).

Realised and unrealised gains in the investment portfolio totalled £447,212 in the year (2016: £144,988 loss), comprising realised gains of £89,817 (2016: £279,274 loss) and unrealised gains of £357,395 (2016: £134,286 gain). The portfolio is valued at £4,059,834 at 31 March 2017 (2016: £3,629,820).

The balance sheet at 31 March 2017 shows total funds of £4,105,543 (2016: £3,678,522).

**Achievements and performance**

The majority of funding available for distribution from this charity is restricted. 50% goes to City, University of London and 15% to St Ethelburga's Centre for Peace and Reconciliation.

The former applies its grant principally towards the enhancement of the student experience. Funds are applied to support the Student Centre Advisor's position and Student Union projects which would not be eligible for or attract funding from other sources. Residual funds support 6 PhD Scholarships and 4 Travel bursaries for PhD students. Both advance student education and enhance the reputation of the University. Finally, grants support the involvement of the University in the Lord Mayor's Show which celebrates and reinforces the mutually beneficial relationship between the City and the University.

The St Ethelburga's grant is applied to the organisation's core costs. Greater engagement has been achieved in this period with both mutual visits and a Service of Remembrance being held to share knowledge and improve understanding. Assessing the impact of St Ethelburga's activities is difficult since it operates in that sphere where the esoteric has primacy over objective assessment. Its focus is unique as it aims to build relationships at the micro level across divisions of conflict, culture and religion. Its expertise is in bringing people together in new ways, creating safe space for transformative conversations and collaborative enquiry, increasing understanding, and inspiring people to take action in their own communities. The centre focuses on the values of listening, reflection, honouring diversity, self-responsibility, and choosing non-violence. The Centre runs numerous dialogue programmes, training workshops and a multi-faith conflict resolution programme.

The Kitchen's discretionary funding is prioritised for educational institutions within Greater London. This year the City of London Academy Islington has benefited from additional Alternative Individual Tuition for 2 students, Beormund Special School has been able to send up to 48 pupils for riding instruction which has served to enrich their emotional lives, and the XLP Project in Tower Hamlets has received funds for a mobile recording studio. Known as the X-Mobile project it works with over 140 young people each year seeking to attract those who have dropped out of the educational system, many of whom are from the inner city BME community, and prepare them both for work and to contribute to their communities.

## **Robert Kitchin (Saddlers' Co)**

### **(Administered by the Worshipful Company of Saddlers)**

#### **Trustees' report – year ended 31 March 2017**

##### **Trustees' Responsibilities Statement**

The Trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS102.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

##### **Auditors**

A resolution to re-appoint Moore Stephens LLP as auditor to the Charity will be proposed at the next Trustees' meeting.

On behalf of the Trustees



JC Robinson

17 July 2017



**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Independent auditors' report to the trustees**

We have audited the financial statements of Robert Kitchin (Saddler's Co) for the year ended 31 March 2017 set out on pages 9 to 17. 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).

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 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 auditors**

As explained more fully in the Statement of Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 web-site at [www.frc.org.uk/auditscopeukprivate](http://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 31 March 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; and
- 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.

*Moore Stephens LLP*

Moore Stephens LLP  
Chartered Accountants  
Statutory Auditor

150 Aldersgate Street  
London  
EC1A 4AB

Date: *1 August 2017*

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

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Statement of financial activities - year ended 31 March 2017**

	Note	2017 Unrestricted funds £	2017 Restricted funds £	2017 Endowment fund £	2017 Total funds £	2016 Total funds £
<b>Income and endowments from:</b>						
Investment income	2	36,247	67,315	—	103,562	181,882
Other income	3	—	—	—	—	20,000
<b>Total Income</b>		<b>36,247</b>	<b>67,315</b>	<b>—</b>	<b>103,562</b>	<b>201,882</b>
<b>Expenditure on:</b>						
Investment management costs	4	—	—	18,709	18,709	7,600
Charitable activities	5	37,729	67,315	—	105,044	167,256
<b>Total resources expended</b>		<b>37,729</b>	<b>67,315</b>	<b>18,709</b>	<b>123,753</b>	<b>174,856</b>
<b>Net income before investment gains and losses</b>		<b>(1,482)</b>	<b>—</b>	<b>(18,709)</b>	<b>(20,191)</b>	<b>27,026</b>
Net realised and unrealised gains / (losses) on investment portfolios	7	—	—	447,212	447,212	(144,988)
<b>Net income and movement in funds</b>		<b>(1,482)</b>	<b>—</b>	<b>428,503</b>	<b>427,021</b>	<b>(117,962)</b>
<b>Total funds brought forward at 1 April</b>		<b>29,225</b>	<b>—</b>	<b>3,649,297</b>	<b>3,678,522</b>	<b>3,796,484</b>
<b>Total funds carried forward at 31 March</b>		<b>27,743</b>	<b>—</b>	<b>4,077,800</b>	<b>4,105,543</b>	<b>3,678,522</b>

**Continuing operations**

None of the Charity's activities were permanently acquired or discontinued during the above two years.


The notes on pages 11 to 17 form part of these financial statements

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Balance sheet as at 31 March 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Investment property at market value	6		15,000		15,000
Investment portfolio at market value	7		4,059,834		3,629,820
			<u>4,074,834</u>		<u>3,644,820</u>
<b>Current assets</b>					
Cash on deposit		56,344		161,183	
Cash at bank and in hand		53,486		36,785	
Debtors		13,911		4,389	
		<u>123,741</u>		<u>202,357</u>	
<b>Creditors: Amounts falling due within one year</b>	8	<u>(93,032)</u>		<u>(168,655)</u>	
<b>Net current assets</b>			<u>30,709</u>		<u>33,702</u>
<b>Total net assets</b>			<u>4,105,543</u>		<u>3,678,522</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Permanent endowment fund	9		4,077,800		3,649,297
Restricted funds	10		—		—
Unrestricted fund	11		27,743		29,225
			<u>4,105,543</u>		<u>3,678,522</u>
<b>Total funds</b>			<u>4,105,543</u>		<u>3,678,522</u>

Approved by the trustees on 17 July 2017 and signed on their behalf by:

  
 JC Robinson  
 Trustee

The notes on pages 11 to 17 form part of these financial statements

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

**1 Basis of accounting**

**1.1 Accounting convention**

The accounts 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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005.

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

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The Trustees have taken advantage of the disclosure exemption in respect of the requirements of Section 7 "Statement of Cash Flows" in preparing these accounts as permitted by FRS102 and the Charities SORP (FRS102) Update Bulletin 1.

**1.2 Income Recognition**

Dividends and distributions from investments are accounted for in the period in which the Charity becomes entitled to the income.

Interest from cash deposits is accounted for as the income accrues.

Other income is accounted for on a receivable basis.

**1.3 Expenditure**

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

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

Incoming resources and resources expended are allocated between restricted and unrestricted funds on the basis on which net incoming resources are applied, that is:

- 50% to City University London (restricted)
- 15% to St Ethelburga's Centre for Reconciliation and Peace (restricted)
- 35% at the discretion of the Trustees (unrestricted)

Grant and donation support costs comprise costs for processing applications and payments of grants and donations, including support to actual and potential applicants and costs for the running of the Charity.

**1.4 Investment property**

The value of the freehold reversion is reviewed annually on a market value basis and any surplus or deficit is dealt with through the statement of financial activities.

**Robert Kitchen (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

**1 Basis of accounting (continued)**

**1.5 Investment portfolio**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The investment portfolio does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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.

**1.6 Fund accounting**

Endowment funds

Endowment funds comprise monies which are held as capital. The Charity's donated capital is accounted for as a permanent endowment, where the Trustees have no power to disburse the capital as though it was income, rather than an expendable endowment where the capital could be disbursed at the discretion of the Trustees. The Charity generally does not engage in fundraising but relies upon its investments to generate income from which its grants and donations are made.

Income arising from endowment funds is credited to unrestricted funds and applied for general purposes except where:

- (a) the original capital was received by the Charity for a specific purpose in which case the income is credited to restricted funds; or
- (b) income arises from capital that has been designated by the Trustees for a specific purpose in which case the income is credited to designated funds.

Restricted funds

Restricted funds comprise unexpended incoming resources that were raised for, or where their use is restricted to, a specific purpose.

Unrestricted funds – general funds

The general fund comprises unexpended incoming resources that are available to the Trustees for use at their discretion in furtherance of the Charity's objectives.

**1.7 Critical estimates and significant judgements**

The most significant areas of judgement and key assumptions that affect items in the financial statements are to do with investments.

With respect to the next reporting period for the year ended 31 March 2018, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of the investment markets both pre and post Brexit (see the investment policy and performance and risk management sections of the Trustees' Report for more information).

**Robert Kitchen (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

	2017 Unrestricted fund £	2017 Restricted funds £	2017 Endowment fund £	2017 Total funds £	2016 Total funds £
<b>2. Investment income</b>					
Dividends and distributions from investment portfolio	36,124	67,087	—	103,211	181,440
Interest on cash on deposit and at bank	123	228	—	351	442
	<u>36,247</u>	<u>67,315</u>	<u>—</u>	<u>103,562</u>	<u>181,882</u>

In prior year, the investment income of £181,882 was accounted through unrestricted fund of £63,659 and restricted funds of £118,223.

	2017 Unrestricted fund £	2017 Restricted funds £	2017 Endowment fund £	2017 Total funds £	2016 Total funds £
<b>3. Other income</b>					
Consideration for S106 Deed -Roman Wall House	—	—	—	—	20,000
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,000</u>

In prior year, the other income of £20,000 was accounted through unrestricted fund of £7,000 and restricted funds of £13,000.

	2017 Unrestricted fund £	2017 Restricted funds £	2017 Endowment fund £	2017 Total funds £	2016 Total funds £
<b>4. Investment management costs</b>					
Investment management fees	—	—	18,709	18,709	7,600
	<u>—</u>	<u>—</u>	<u>18,709</u>	<u>18,709</u>	<u>7,600</u>

In prior year, the investment management costs of £7,600 were accounted through unrestricted fund of £2,660 and restricted funds of £4,940.

	2017 Unrestricted fund £	2017 Restricted funds £	2017 Endowment fund £	2017 Total funds £	2016 Total funds £
<b>5. Charitable activities</b>					
Grants allocated	36,254	64,579	—	100,833	163,042
Support costs:					
Staff costs	1,050	1,950	—	3,000	3,000
Audit fee	425	786	—	1,211	1,214
	<u>37,729</u>	<u>67,315</u>	<u>—</u>	<u>105,044</u>	<u>167,256</u>

Grants awarded to institutions are allocated 50% to City University London, 15% to St Ethelburga's Centre for Reconciliation and Peace of the net incoming funds, and grants out of the remaining 35% made at the discretion of the Trustees were awarded to five institutions amounting to £34,350 and to one individual amounted to £2,000.

In prior year, the charitable activities of £167,256 were accounted through unrestricted fund of £40,973 and restricted funds of £126,283.

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

	2017 Total funds £	2016 Total funds £
<b>6. Fixed assets – investment property</b>		
Freehold property at market value	<u>15,000</u>	<u>15,000</u>

The valuation of the freehold reversion at 31 March 2017 is a Trustees' valuation.

The freehold investment was gifted to the Charity in 1555. If it had not been revalued, it would have been included in the balance sheet at a value of £1 (2016: £1).

	2017 Total funds £	2016 Total funds £
<b>7. Fixed assets – investment portfolio</b>		
Market value at 1 April 2016	3,629,820	3,779,310
Add: Purchases at cost	949,496	2,784,253
Less: Sales proceeds	(818,536)	(2,818,489)
Net realised gains/ (losses)	89,817	(279,274)
Net unrealised gains/ (losses)	357,395	134,286
Movement in cash held as part of portfolio	(141,158)	29,734
Market value at 31 March	<u>4,059,834</u>	<u>3,629,820</u>
Cost at 31 March	<u>3,401,589</u>	<u>3,400,388</u>

The Trustees have agreed that their investment policy would best be executed by moving the Robert Kitchin investments, along with the investments of the other charities administered by The Worshipful Company of Saddlers, namely the Saddlers Company Charitable Fund and the Apprenticing Charity into a balanced discretionary portfolio.

	2017 Total funds £	2016 Total funds £
<b>8. Creditors: Amounts falling due within one year</b>		
Grants to be distributed	81,929	161,894
Accruals	11,103	6,761
	<u>93,032</u>	<u>168,655</u>

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

**9. Permanent endowment fund**

The will of Robert Kitchin refers to "to have and to hold" .... "for ever" in the context of his land bequeathed and subsequent Charity Commission schemes refer to the distribution of "net income". The Trustees concluded, following a review in 2012, that it was reasonable to assume that the capital had been donated to be held permanently.

	2016 Total funds £	2017 Movement in Year £	2017 Total funds £
Permanent endowment fund	3,649,297	428,503	4,077,800

The Charity's funds are invested to produce incoming resources that are disbursed to allow the Charity to meet its objects.

65% of the incoming and expended resources are accounted through restricted funds in relation to grants specified to be made to City University London and St Ethelburga's Centre for Reconciliation and Peace.

The balance of 35% of the incoming and expended resources are accounted through unrestricted funds.

**10. Restricted funds**

	2016 Total funds £	2017 Incoming resources £	2017 Expended resources £	2017 Total funds £
City University London	—	51,781	(51,781)	—
St Ethelburga's Centre for Reconciliation and Peace	—	15,534	(15,534)	—
	—	67,315	(67,315)	—

The restricted fund for City University London represents the 50% of the Charity's total incoming and expended resources to which it is entitled.

The restricted fund for St Ethelburga's Centre for Reconciliation and Peace represents the 15% of the Charity's total incoming and expended resources to which it is entitled.



**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

**11. Unrestricted fund**

	2016 Total funds £	2017 Incoming resources £	2017 Expended resources £	2017 Total funds £
General fund	29,225	36,247	(37,729)	27,743

The general fund represents the 35% of the Charity's incoming and expended resources which the Trustees have discretion over as regards grants payable.

The Worshipful Company of Saddlers has laid down rules to guide the Trustees in the allocation of grants from these funds.

Details are contained in the Trustees' report, on pages 4 and 5, in the section "Objectives, grant-making policy and public benefit".

**12. Analysis of net assets between funds**

	2017 Permanent endowment fund	2017 Restricted funds £	2017 Unrestricted fund £	2017 Total funds £
Investment property	15,000	—	—	15,000
Investment portfolio	4,059,834	—	—	4,059,834
Cash on deposit and at bank	2,966	62,754	44,110	109,830
Debtors	—	9,042	4,869	13,911
Creditors	—	(71,796)	(21,236)	(93,032)
At 31 March 2017	4,077,800	—	27,743	4,105,543

**13. Related party transactions**

The Charity is connected with the following charities, all of which are under the control of the trustees who hold office by virtue of being members of the Court of Assistants of the Worshipful Company of Saddlers:

Saddlers' Company Charitable Fund - number 261962

The Kaye's & Labourne's Charity (linked to Saddlers' Company Charitable Fund) - number 261962/1

Apprenticing Charity - number 312166

Staff costs (note 5) are paid to The Worshipful Company of Saddlers which is a company incorporated by Royal Charter and situated in England and Wales. The Worshipful Company of Saddlers is guided by its Court of Assistants. The members of The Court of Assistants do not have any interests in the assets of The Worshipful Company of Saddlers. At 31 March 2017, the amount of £4,224 (2016: £nil) was owed to The Worshipful Company of Saddlers.

The Trust considers its key management personnel comprise the trustees who received no remuneration in the year (2016: £nil).

**Robert Kitchin (Saddlers' Co)**  
**(Administered by the Worshipful Company of Saddlers)**

**Notes to the financial statements - 31 March 2017**

**13. Related party transactions (continued)**

During the year, intercompany transactions relating to grants paid occurred between the charities administered by The Worshipful Company of Saddlers. At the yearend, the following were the transactions and amounts owed by the Robert Kitchin (Saddlers' Co).

- Apprenticing Charity (£835) (2016: £nil)  
(administered by The Worshipful Company of Saddlers)

The Trustees have agreed that their investment policy would best be executed by moving the Robert Kitchin investments, along with the investments of the other charities administered by The Worshipful Company of Saddlers, namely the Saddlers Company Charitable Fund and the Apprenticing Charity into a balanced discretionary portfolio.