

Charity registration number: 1069939



The Charity of the Worshipful Company of Arbitrators

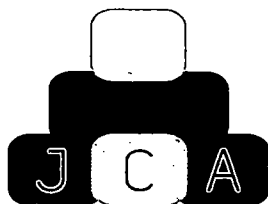
Annual Report and Financial Statements

For the Year Ended 31 July 2017

CHARITY COMMISSION
FIRST CONTACT

12 FEB 2018

ACCOUNTS
RECEIVED



JCA, Chartered Accountants
Dawcombe House
Pebble Hill Road
Betchworth
Surrey RH3 7BP

The Charity of the Worshipful Company of Arbitrators

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The Charity of the Worshipful Company of Arbitrators

Reference and Administrative Details

Trustees	P K Fidler – Chairman M Bastone – until 24 October 2017 M H S Bradish M Goodridge – until 25 October 2016 Sir G Hickinbottom – from 24 October 2017 E J Malone C McArdle A M Nixon P Rose D M Wilson – from 25 October 2016
Principal Office	Temple House 30 Hospital Lane Canterbury Kent CT1 2PE
Bankers	CAF Bank Ltd
Charity Registration Number	1069939
Investment Advisors	Rathbones
Independent Examiner	P J C Crouch FCA JCA, Chartered Accountants Dawcombe House Pebble Hill Road Betchworth Surrey RH3 7BP

The Charity of the Worshipful Company of Arbitrators

Trustees Report

The Trustees present the annual report together with the financial statements of the Charity for the year ended 31 July 2017.

Reference and Administrative Details

Reference and administrative details of the Trustees of the Charity and its professional advisers are shown on page 1 of the financial statements.

Objectives and activities

The objects of the Charity are:

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

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

Public benefit

The Trustees confirm that the Charity complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

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

The number of Trustees is set out in the Trust Deed as being not less than four and no more than eight.

The term of office and appointing authority are as follows:

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

Format of the Accounts

The accounts have been prepared in accordance with the accounting policies set out on page 8 and comply with the Statement of Recommended Practice (FRS 102) issued by the Charity effective 1 January 2015.

The Charity of the Worshipful Company of Arbitrators

Trustees Report (Cont'd)

Trustee Training

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

Risk Management

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

As part of the process the Trustees have implemented the following:

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

Achievements and Performance

We provided a prize for the Librarian of the Year and a grant for the 'Reading and Literacy Project in London Schools' sponsored by the Mistress Arbitrator whereby Authors Aloud provide visits by authors to selected schools. We have also supported the Personal Support Unit at the Royal Courts of Justice; the City of London School's Biotech Project; the Caritas Anchor House 'Leadership for Life' Programme; and 'Mudchute', a Childrens' Charity which has a park and farm in East London. There are further initiatives under consideration and about to come to fruition.

The Charity has set aside £36,740 for the above projects of which £22,462 has been spent during the financial year.

Through its Charity the Company provides annual prizes and support to the Armed Services through the company's contacts with HMS Mersey and the Army Cadets, as well as the Poppy Appeal. There are also annual prizes to scholars of the City of London School for Girls, the City Law School, and the King's College Centre for Construction Law. The latter two are invited to attend the annual Master's Lecture in order to receive a certificate and a cheque.

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

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

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

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

The Dispute Resolution Symposium

This annual event was held at Keating Chambers on 6th December 2016 and continued the successful series on developing practice as a dispute resolver with this event entitled: 'Develop Your Practice'. The facilities were again generously provided free by Keating Chambers with the income donated to the Charity.

The Charity of the Worshipful Company of Arbitrators

Trustees Report (Cont'd)

Financial Review

The Trust had another successful year creating net income of £16,935 (2016: £22,832). This was achieved in good measure by the generosity of the members of the Company making donations which were enhanced with gift aid wherever possible. The Trust was able to make grants in the reasonable certainty that income from those donors would continue for at least a further 12 months. By their nature, the making of grants can have a time lag between receiving grant applications and the grant being paid. As detailed earlier in this Report, nearly all of the net income has been earmarked for grants.

Investment gains were substantial for the second year running at £39,999 (2016: £17,829). It is the policy of the Trust to invest for the long term and the value of investments can fall as well as rise. However, this unrealised surplus has contributed in supporting the Trustees' confidence to achieve the Trust's objectives as measured by finance.

At 31 July 2017 the Trust had Unrestricted Funds of £474,665 (2016: £417,731)

Reserves

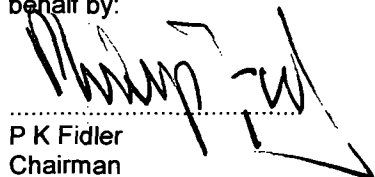
At 31 July 2017 the Trust held unrestricted reserves of £474,665 (2016: £417,731). It is the policy of the Trust to hold free realisable reserves to enable there to be sufficient funds to support the Trust's grant making capacity for at least the next 12 months.

It is a requirement of the Livery Committee that before a Company is granted its Livery it arranges for not less than £300,000 to be held in charitable funds. This is the minimum and the Trust holds greater sums as it grows in strength to support longer term projects. Included in the reserves are unrealised surpluses from the valuation of investments. These come to over £120,000. When added to the Livery Committee's minimum requirement this leaves free reserves of just over £54,000 which the Trustees deem is a reasonable level to support the grant making for the following year.

Independent Examiner

P J C Crouch FCA of JCA, Chartered Accountants, has been re-appointed as independent examiner for the ensuing year.

The annual report was approved by the Trustees of the Charity on 23 January 2018 and signed on its behalf by:



P K Fidler
Chairman

The Charity of the Worshipful Company of Arbitrators

Statement of Trustees Responsibilities

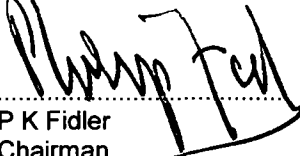
The Trustees are responsible for preparing the Trustee's report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year. Under charity law the Trustees must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities SORP (FRS102). They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees of the Charity on 23 January 2018 and signed on its behalf by:



P K Fidler
Chairman

The Charity of the Worshipful Company of Arbitrators

Independent Examiner's Report to the Trustees of

The Charity of the Worshipful Company of Arbitrators

I report on the accounts of the Charity for the year ended 31 July 2017 which are set out on pages 6 to 14.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

Basis of independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

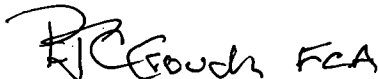
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



P J C Crouch FCA
JCA, Chartered Accountants
Independent Examiner
Dawcombe House
Pebble Hill Road
Betchworth
Surrey RH3 7BP

Date: 8-2-18

The Charity of the Worshipful Company of Arbitrators

Statement of Financial Activities

For the Year Ended 31 July 2017

	Note	Unrestricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:				
Donations and legacies	2	35,199	35,199	41,225
Other trading activities	3	2,718	2,718	3,919
Investment income	4	6,219	6,219	6,672
Total Income		<u>44,136</u>	<u>44,136</u>	<u>51,816</u>
Expenditure on:				
Charitable activities	5	27,201	27,201	28,984
Total Expenditure		<u>27,201</u>	<u>27,201</u>	<u>28,984</u>
Net income		<u>16,935</u>	<u>16,935</u>	<u>22,832</u>
Realised and unrealised gains on investments		39,999	39,999	17,829
Net movement in funds		56,934	56,934	40,661
Reconciliation of funds				
Total funds brought forward		417,731	417,731	377,070
Total funds carried forward	13	<u>474,665</u>	<u>474,665</u>	<u>417,731</u>

All of the charity's activities derive from continuing operations during the above two periods.

The Charity of the Worshipful Company of Arbitrators

Balance Sheet

As at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	10	<u>415,271</u>	<u>348,352</u>
Current assets			
Debtors	11	933	2,220
Cash at bank	14	<u>59,299</u>	<u>67,972</u>
		60,232	70,192
Creditors: Amounts falling due within one year	12	<u>(838)</u>	<u>(813)</u>
Net current assets		<u>59,394</u>	<u>69,379</u>
Net assets		<u>474,665</u>	<u>417,731</u>
Funds of the Charity:			
Unrestricted income funds			
Unrestricted funds		<u>474,665</u>	<u>417,731</u>
Total funds	13	<u>474,665</u>	<u>417,731</u>

The financial statements on pages 6 to 14 were approved by the Trustees and authorised for issue on 23 January 2018 and signed on behalf by:


 P K Fidler
 Chairman

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Basis of preparation

The Charity of the Worshipful Company of Arbitrators meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the Charity.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

Investment income

Dividends are recognised once the dividend has been received.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Charity.

Taxation

The Charity is exempt from tax on its charitable activities.

Value Added Tax

Value Added Tax is not recoverable by the Charity and as such is included in the relevant costs in the Statement of Financial Activities.

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Donations and legacies:			
Donations from individuals	28,307	28,307	33,372
Legacies	-	-	1,000
Gift aid reclaimed	6,892	6,892	6,853
	<u>35,199</u>	<u>35,199</u>	<u>41,225</u>

3 Income from other activities

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Events income	2,718	2,718	3,919
	<u>2,718</u>	<u>2,718</u>	<u>3,919</u>

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

4 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Interest receivable on bank deposits	2,544	2,544	2,555
Dividends received from fixed asset investments	3,675	3,675	4,117
	<u>6,219</u>	<u>6,219</u>	<u>6,672</u>

5 Expenditure on charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Grants	22,462	22,462	24,901
Governance costs	4,739	4,739	4,083
	<u>27,201</u>	<u>27,201</u>	<u>28,984</u>

	Grant funding of activity	Governance costs	Total	Total
	£	£	2017	2016
			£	£
Independent Examiner's fee	-	984	984	810
Investment advisers' fees	-	3,169	3,169	2,426
Bank charges and other costs	-	586	586	847
Grants, Prizes & Scholarships	22,462	-	22,462	24,901
	<u>22,462</u>	<u>4,739</u>	<u>27,201</u>	<u>28,984</u>

£27,201 (2016 - £28,984) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

The Trustees represent the Key Management of the Charity. The Trustees give their time generously and without remuneration or benefit.

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

6 Analysis of grants

	Grants & Prizes to institutions		Grants & Prizes to individuals	
	2017	2016	2017	2016
	£	£	£	£
Analysis				
University of Exeter for IMLAM	500	-	-	-
Caritas Anchor House	1,000	-	-	-
Poppy Appeal	1,500	150	-	-
St Hilda's CE High School	500	-	-	-
Worshipful Company of Arbitrators Seminar	140	-	-	-
13 ACF for St Lucia Exchange	2,000	-	-	-
The Mudchute Association	1,200	1,000	-	-
Personal Support Unit at RJC	500	500	-	-
City of London School	250	-	-	-
King Edward's School Bursary	-	2,000	-	-
Lord Mayor's Appeal	2,500	2,500	-	-
Scholarships	-	-	10,073	9,325
The Great Silence	-	500	-	-
HMS Mersey	-	-	250	1,250
Livery Schools Link	-	500	-	-
Artichoke Trust re Great Fire 350	-	2,500	-	-
London Food Hub Islington	-	1,000	-	-
ABF Soldiers Charity (The Lord Mayor's Big Curry Lunch)	1,000	1,000	-	-
Centre for Construction	-	-	-	250
ACF Peacemaker, Detachment of the Year, Instructor of the year	-	-	200	-
HMS Mersey Sailor of the Year	-	-	250	250
City of London School for Girls	-	-	100	100
City Law School	-	-	250	250
UK Mediation Skills Competition	-	-	-	1,826
Kings College	-	-	249	-
	11,090	11,650	11,372	13,251

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

7 Trustees remuneration and expenses

No Trustee received any remuneration, other benefits or expenses for the year ended 31 July 2017 nor for the year ended 31 July 2016.

8 Independent Examiner's fee

	2017	2016
	£	£
Independent Examiners fee	984	810

9 Taxation

The Charity is a registered Charity and is therefore exempt from taxation.

10 Fixed asset investments

	2017	2016
	£	£
Investments, at Market Value	415,271	348,352

	Listed investments £	Cash with Broker £	Total £
Cost or Valuation			
At 1 August 2016	333,063	15,289	348,352
Revaluation	39,696	-	39,696
Additions	49,016	17,372	66,388
Disposals	(39,165)	-	(39,165)
At 31 July 2017	382,610	32,661	415,271
Net book value			
At 31 July 2017	382,610	32,661	415,271
At 31 July 2016	333,063	15,289	348,352

The Charity of the Worshipful Company of Arbitrators

Notes to the Financial Statements

For the Year Ended 31 July 2017

11 Debtors

	2017 £	2016 £
Debtors	933	2,220

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	838	813

13 Funds

	Balance at 1 August 2016 £	Incoming resources £	Movement in Investments £	Resources expended £	Balance at 31 July 2017 £
Unrestricted funds					
General	417,731	44,136	39,999	(27,201)	474,665

14 Analysis of net funds

	At 1 August 2016 £	Cash flow £	At 31 July 2017 £
Cash at bank	67,972	(8,673)	59,299
Net funds	67,972	(8,673)	59,299