

**Charity number: 246255**

**Tallow Chandlers Benevolent Fund no 2.**

**Trustee's Report and Financial Statements**

**For the Year Ended 5 April 2018**

## **Tallow Chandlers Benevolent Fund no 2.**

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**Tallow Chandlers Benevolent Fund no 2.**

**Reference and Administrative Details of the Charity, its Trustee and Advisers  
For the Year Ended 5 April 2018**

**Trustee**

The Worshipful Company of Tallow Chandlers

**Charity registered number**

246255

**Principal office**

Tallow Chandlers' Hall, 4 Dowgate Hill, London, EC4R 2SH

**Independent auditors**

Kreston Reeves LLP, Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG

**Bankers**

Coutts & Co, 440 Strand, London, WC2R 0QS

**Investment Managers**

Quilter Cheviot Limited, One Kingsway, London, WC2B 6AN

## **Tallow Chandlers Benevolent Fund no 2.**

### **Trustee's Report For the Year Ended 5 April 2018**

#### **Introduction**

The Trustee presents the Report and the audited Financial Statements for the year ended 5 April 2018. These have been prepared in accordance with the Trust Deed and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

#### **Structure, governance, and management**

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

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

On 25 April 2017, the Trustees approved a resolution to amend the Trust Deed to enable The Worshipful Company of Tallow Chandlers to be appointed as the sole trustee of the Charity, given its status as a body corporate established by Royal Charter. As a result, all the Trustees listed below resigned on 25 April 2017:

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

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

Management and administrative resources are provided by The Worshipful Company of Tallow Chandlers. The notional value of these support services is £103,237 (2016 £106,469).

#### **Objectives and activities for the public benefit**

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

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

## **Tallow Chandlers Benevolent Fund no 2.**

### **Trustee's Report (continued) For the Year Ended 5 April 2018**

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

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

#### **Achievements and performance**

At the start of the year, the Trustee approved a grant and awards distribution budget of £401,023 which included a £50,000 Capital Contribution. Grants and awards disbursed during the year excluding matched funding, additional collections and before any movements in grant commitments in the year totalled £339,953.

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

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

Support to Halley Academy began in 2016, with the award of their first donation of £20,000. During 2017 – 2018, a second donation of £20,000 was given, and the Trustee awarded an additional £8,450 to support a project called 'Be the Change.' This was delivered in the school by Humanutopia, a registered charity which works with young people. In 2018-2019 the donation was increased to £30,000. A programme of activities like those at GCA is being implemented and we are working closely with the school to implement and build on these as quickly as possible.

Cubitt Town Junior School is the first primary school to be awarded a three-year grant by the Tallow Chandlers' Company. They received their first donation of £15,000 in 2016 and a further £15,000 was given in the following year. A group of pupils has visited the Hall and more activities are planned. Encouraging links have been established with Greig City Academy.

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

The Trustee approved grants and awards to a total of 63 organisations. In all cases, the Trustee has received appropriate acknowledgement of their award and a summary of the benefits and impact this has enabled for the public benefit.

During the year £180,493 of grant commitments provided for last year were paid, together with £143,120 of grant commitments entered into this year. A further £208,300 of grant commitments were provided for this year resulting in an increase in the provision of £27,807.

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

## **Tallow Chandlers Benevolent Fund no 2.**

### **Trustee's Report (continued) For the Year Ended 5 April 2018**

#### **Grant-making policy**

Our members make generous contributions to the Tallow Chandlers Benevolent Fund which when combined with investment income, an annual gift from the Company itself, matched funding and time giving, allow us to make significant donations that can have a real impact. The charity has a policy of donating 3 1/2% of the last 12 quarters average capital value. This allows commitment of continuity to our carefully selected causes over a number of years, even in the event of negative investment performance.

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

- Supporting education, training and youth activities, primarily in Greater London.
- Supporting health and social welfare programmes.
- Promoting and encouraging excellence.

A proportion of our budget is earmarked for one-off donations to charities that meet our objectives and criteria.

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

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

As a general rule, we do not usually support:

- Large or national charities.
- Charities that operate overseas.
- Individuals who appeal to us directly.

#### **Financial review**

In the year to 5 April 2018, there were net incoming resources before recognised gains and losses of £194,204 (2017: £145,221) and a net increase in total funds of £219,799 (2016: £1,450,676).

The value of the fixed asset investments held by the Trust increased from £8,697,814 at the start of the year to £9,015,522. This increase in value comprised acquisitions during the year of £618,839 less disposals of £417,510. The balance of £118,228 results from a gain in market value of investments of £32,515, together with a movement in cash balances of £83,864 from £179,320 at the start of the year to £263,184 at the end.

Total incoming resources were £662,842 (2017: £613,102). The principal funding sources arise from donation income from the members of The Worshipful Company of Tallow Chandlers and from income generated by the fixed asset investments.

## Tallow Chandlers Benevolent Fund no 2.

### Trustee's Report (continued) For the Year Ended 5 April 2018

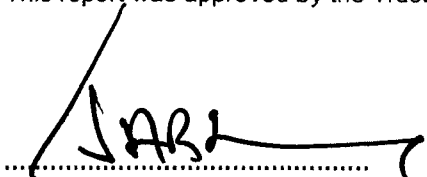
#### Trustee's Responsibilities Statements

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

The law applicable to charities in England & Wales requires the trustee 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 trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

This report was approved by the Trustee, on 3 May 2018 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'J A Long', is written over a dotted line.

Mr J A Long, Master  
On behalf of The Worshipful Company of Tallow  
Chandlers  
Trustee

## **Tallow Chandlers Benevolent Fund no 2.**

### **Independent Auditors' Report to the Trustee of Tallow Chandlers Benevolent Fund no 2.**

#### **Opinion**

We have audited the financial statements of Tallow Chandlers Benevolent Fund no 2. (the 'charity') for the year ended 5 April 2018 set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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.



## **Tallow Chandlers Benevolent Fund no 2.**

### **Independent Auditors' Report to the Trustee of Tallow Chandlers Benevolent Fund no 2.**

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustee's 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.

#### **Responsibilities of trustees**

As explained more fully in the Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Tallow Chandlers Benevolent Fund no 2.**

### **Independent Auditors' Report to the Trustee of Tallow Chandlers Benevolent Fund no 2.**

#### **Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Springfield House  
Springfield Road  
Horsham

West Sussex  
RH12 2RG

Date: 24/7/18

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**Tallow Chandlers Benevolent Fund no 2.**

**Statement of Financial Activities  
For the Year Ended 5 April 2018**

	Note	Designated funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	2	305,047	5,000	310,047	298,310
Investments	3	351,835	-	351,835	312,547
Other income		960	-	960	2,245
<b>Total income</b>		<b>657,842</b>	<b>5,000</b>	<b>662,842</b>	<b>613,102</b>
<b>Expenditure on:</b>					
Charitable activities	5,7	466,478	2,160	468,638	467,881
<b>Total expenditure</b>	8	<b>466,478</b>	<b>2,160</b>	<b>468,638</b>	<b>467,881</b>
<b>Net income before investment gains</b>		<b>191,364</b>	<b>2,840</b>	<b>194,204</b>	<b>145,221</b>
Net gains on investments	10	25,595	-	25,595	1,305,455
<b>Net income before other recognised gains and losses</b>		<b>216,959</b>	<b>2,840</b>	<b>219,799</b>	<b>1,450,676</b>
<b>Net movement in funds</b>		<b>216,959</b>	<b>2,840</b>	<b>219,799</b>	<b>1,450,676</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		8,786,959	-	8,786,959	7,336,283
<b>Total funds carried forward</b>		<b>9,003,918</b>	<b>2,840</b>	<b>9,006,758</b>	<b>8,786,959</b>

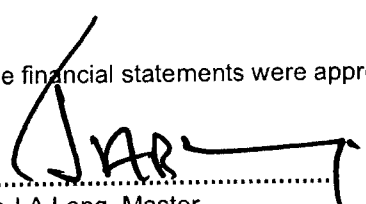
The notes on pages 12 to 23 form part of these financial statements.

**Tallow Chandlers Benevolent Fund no 2.**

**Balance Sheet  
As at 5 April 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Investments	10		9,015,522		8,697,814
<b>Current assets</b>					
Debtors	11	78,786		103,949	
Cash at bank and in hand		295,373		341,240	
		<u>374,159</u>		<u>445,189</u>	
<b>Creditors: amounts falling due within one year</b>	12	(268,923)		(233,701)	
<b>Net current assets</b>			105,236		211,488
<b>Total assets less current liabilities</b>			<u>9,120,758</u>		<u>8,909,302</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(114,000)		(122,343)
<b>Net assets</b>			<u>9,006,758</u>		<u>8,786,959</u>
<b>Charity Funds</b>					
Restricted funds	14		2,840		-
Designated funds	14		9,003,918		8,786,959
<b>Total funds</b>			<u>9,006,758</u>		<u>8,786,959</u>

The financial statements were approved by the Trustee on 3 July 2018 and signed on their behalf, by:

  
 .....  
 Mr J A Long, Master  
 On behalf of The Worshipful Company of Tallow  
 Chandlers

The notes on pages 12 to 23 form part of these financial statements.

**Tallow Chandlers Benevolent Fund no 2.**

**Statement of Cash Flows  
For the Year Ended 5 April 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	<b>(112,508)</b>	<b>(152,521)</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>351,835</b>	312,547
Proceeds from sale of investments		<b>417,510</b>	1,054,373
Purchase of investments		<b>(618,839)</b>	(957,868)
<b>Net cash provided by investing activities</b>		<b>150,506</b>	409,052
<b>Change in cash and cash equivalents in the year</b>		<b>37,998</b>	256,531
Cash and cash equivalents brought forward		<b>520,560</b>	264,029
<b>Cash and cash equivalents carried forward</b>	17	<b>558,558</b>	520,560

The notes on pages 12 to 23 form part of these financial statements.

## **Tallow Chandlers Benevolent Fund no 2.**

### **Notes to the Financial Statements For the Year Ended 5 April 2018**

#### **1. Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

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

Tallow Chandlers Benevolent Fund no 2. constitutes a public benefit entity as defined by FRS 102.

##### **1.2 Going concern**

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

##### **1.3 Income**

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 income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustee's Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

## **Tallow Chandlers Benevolent Fund no 2.**

### **Notes to the Financial Statements For the Year Ended 5 April 2018**

#### **1. Accounting Policies (continued)**

##### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants and donations payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants 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.

##### **1.5 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

##### **1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **1.8 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## **Tallow Chandlers Benevolent Fund no 2.**

### **Notes to the Financial Statements For the Year Ended 5 April 2018**

#### **1. Accounting Policies (continued)**

##### **1.9 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **1.10 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### **1.11 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### **1.12 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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



**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**2. Income from donations**

	<b>Designated funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations from Liverymen and Freemen (including tax recoveries)	<b>108,721</b>	-	<b>108,721</b>	104,756
Other donations	<b>43,089</b>	<b>5,000</b>	<b>48,089</b>	62,085
Donation from The Worshipful Company of Tallow Chandlers	<b>153,237</b>	-	<b>153,237</b>	131,469
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>305,047</b>	<b>5,000</b>	<b>310,047</b>	298,310
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	<b>283,310</b>	<b>15,000</b>	<b>298,310</b>	
	<hr/>	<hr/>	<hr/>	

**3. Investment income**

	<b>Designated funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Dividends	<b>308,450</b>	-	<b>308,450</b>	267,439
Interest	<b>43,385</b>	-	<b>43,385</b>	45,108
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>351,835</b>	-	<b>351,835</b>	312,547
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	<b>312,547</b>	-	<b>312,547</b>	
	<hr/>	<hr/>	<hr/>	

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**4. Analysis of grants**

	<b>Grants to Institutions 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Grant funding	<b>351,420</b>	<b>351,420</b>	360,037

**Analysis of grants**

	<b>2018 £</b>	<b>2017 £</b>
Current year grants for the public benefit	<b>307,160</b>	309,930
Awards	<b>16,253</b>	11,871
Payments to institutions supporting the poor and pensioners connected with the Tallow Trade	<b>200</b>	500
Movement in future grant commitments for the public benefit	<b>27,807</b>	37,736
<b>Total</b>	<b>351,420</b>	360,037

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

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

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

<b>Name of Institution</b>	<b>Number of grants</b>	<b>Current year £</b>
Greig City Academy	1	27,500
Bart's	1	17,500
London Youth	1	20,000
The Hailey Academy	1	20,000
Cubitt Town Junior School	1	15,000
SOAS	1	15,000
Treloar Trust	1	15,000
St Christophers Hospice	2	13,100
City & Guilds	1	10,500
The Bridge School	1	10,000
Into University	1	10,000
The Jon Egging Trust	2	10,000
City of London Boys	2	8,500
City of London Girls	1	8,000
St Paul's Cathedral School	1	7,500
Reed's School	2	7,050
Manchester University	4	6,600
The Poppy Factory	1	6,000
Bankside Open Spaces Trust	1	5,000
Bateman's Trust	1	5,000
Guildhall School Trust	1	5,000
King Edwards, Witley	1	5,000
Clean Break Theatre Company	1	4,500
Action on Addiction	1	4,000
Motor Neurone Disease Association	1	4,000
Cherry Trees Respite Home	1	3,000
London Youth Choir	1	3,000
London Youth Support Trust	1	3,000
The Creative Dimension Trust	1	3,000
Thomas Coram Foundation for Children	1	3,000
Bounce Back	1	2,800
Lord Mayor's Appeal	1	2,750
Southwark Sea Cadets	1	2,250
Science Open Doors	1	2,210
Amani Foundation	1	2,000
London Wildlife Trust	1	2,000
MXNW London ACF	1	2,000
Tower Hamlets Opportunity Group	1	2,000
Friends of St Paul's	1	1,500
Mission to Seafarers	1	1,500
Sheriffs and Records' Funds	1	1,500
BP Distance Learning	1	1,100
British Red Cross	1	1,000
City of London Volunteer Police	1	1,000
For Jimmy	1	1,000
London's Air Ambulance	1	1,000
Soho Young Playwrights	1	1,000
Teagan Williams-Stewart - Fencing Award	1	1,000
The Richard Chartres Fund for London	1	1,000
Grants of less than £1,000 were made totalling	8	1,800
<b>Total</b>	<b>64</b>	<b>307,160</b>

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**5. Analysis of expenditure on charitable activities**

	Designated funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Grant funding	448,177	2,160	450,337	452,331
Raising funds	17,401	-	17,401	14,890
	<u>465,578</u>	<u>2,160</u>	<u>467,738</u>	<u>467,221</u>
Total 2017	<u>452,221</u>	<u>15,000</u>	<u>467,221</u>	

Grant funding of £450,337 (2017: £452,331) includes grants paid as per note 4 of £351,420 (2017: £360,037) and support costs allocated as per note 6 of £98,917 (2017: £92,294).

**6. Support costs**

	Grant funding £	Grants and donations £	Total 2018 £	Total 2017 £
Staff costs	72,730	11,234	83,964	77,593
Office costs	2,697	2,697	5,394	3,802
Premises costs	9,891	3,297	13,188	7,847
Other costs	12,421	-	12,421	17,262
Professional costs	1,178	173	1,351	680
	<u>98,917</u>	<u>17,401</u>	<u>116,318</u>	<u>107,184</u>
Total 2017	<u>92,294</u>	<u>14,890</u>	<u>107,184</u>	

**7. Governance costs**

	Designated funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors' remuneration	900	-	900	660

## Tallow Chandlers Benevolent Fund no 2.

### Notes to the Financial Statements For the Year Ended 5 April 2018

#### 8. Analysis of Expenditure by expenditure type

	Other costs 2018 £	Total 2018 £	Total 2017 £
Grant funding	450,337	450,337	452,331
Raising funds	17,401	17,401	14,890
<b>Charitable activities</b>	<b>467,738</b>	<b>467,738</b>	<b>467,221</b>
<b>Governance costs</b>	<b>900</b>	<b>900</b>	<b>660</b>
	<b>468,638</b>	<b>468,638</b>	<b>467,881</b>
Total 2017	467,881	467,881	

#### 9. Net income/(expenditure)

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

#### 10. Fixed asset investments

	Listed securities £	Other investments £	Total £
<b>Market value</b>			
At 6 April 2017	8,518,494	179,320	8,697,814
Additions	618,839	83,864	702,703
Disposals	(417,510)	-	(417,510)
Revaluations	32,515	-	32,515
At 5 April 2018	<b>8,752,338</b>	<b>263,184</b>	<b>9,015,522</b>

#### Investments at market value comprise:

	2018 £	2017 £
Listed investments	8,752,338	8,518,494
Other fixed asset investments	263,184	179,320
Total market value	<b>9,015,522</b>	<b>8,697,814</b>

All the fixed asset investments are held in the UK.

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**11. Debtors**

	2018 £	2017 £
Tax recoverable (gift aid)	12,873	11,896
Other debtors	65,913	92,053
	<u>78,786</u>	<u>103,949</u>

**12. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Accruals and deferred income	2,280	3,208
Grant commitments	266,643	230,493
	<u>268,923</u>	<u>233,701</u>

**13. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Grant commitments	114,000	122,343
	<u>114,000</u>	<u>122,343</u>

**14. Statement of funds**

**Statement of funds - current year**

	Balance at 6 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2018 £
Designated funds	<u>8,786,959</u>	<u>657,842</u>	<u>(466,478)</u>	<u>25,595</u>	<u>9,003,918</u>
Restricted funds	<u>-</u>	<u>5,000</u>	<u>(2,160)</u>	<u>-</u>	<u>2,840</u>
Total of funds	<u>8,786,959</u>	<u>662,842</u>	<u>(468,638)</u>	<u>25,595</u>	<u>9,006,758</u>

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**14. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 6 April 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2017 £
Designated funds	7,336,283	598,102	(452,881)	1,305,455	8,786,959
Restricted Funds	-	15,000	(15,000)	-	-
Total of funds	7,336,283	613,102	(467,881)	1,305,455	8,786,959

**Summary of funds - current year**

	Balance at 6 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2018 £
Designated funds	8,786,959	657,842	(466,478)	25,595	9,003,918
Restricted funds	-	5,000	(2,160)	-	2,840
	8,786,959	662,842	(468,638)	25,595	9,006,758

**Summary of funds - prior year**

	Balance at 6 April 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2017 £
Designated funds	7,336,283	598,102	(452,881)	1,305,455	8,786,959
Restricted funds	-	15,000	(15,000)	-	-
	7,336,283	613,102	(467,881)	1,305,455	8,786,959

**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

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

**Analysis of net assets between funds - current year**

	Unrestricted designated funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Fixed asset investments	9,015,522	-	9,015,522
Current assets	371,319	2,840	374,159
Creditors due within one year	(268,923)	-	(268,923)
Creditors due in more than one year	(114,000)	-	(114,000)
	<u>9,003,918</u>	<u>2,840</u>	<u>9,006,758</u>

**Analysis of net assets between funds - prior year**

	Unrestricted designated funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Fixed asset investments	8,697,814	-	8,697,814
Current assets	445,189	-	445,189
Creditors due within one year	(233,701)	-	(233,701)
Creditors due in more than one year	(122,343)	-	(122,343)
	<u>8,786,959</u>	<u>-</u>	<u>8,786,959</u>

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	219,799	1,450,676
<b>Adjustment for:</b>		
Gains on investments	(32,515)	(1,305,455)
Dividends, interest and rents from investments	(351,835)	(312,547)
Decrease in debtors	25,164	(22,933)
Increase in creditors	26,879	37,738
<b>Net cash used in operating activities</b>	<u>(112,508)</u>	<u>(152,521)</u>

**17. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	295,373	341,240
Investment cash	263,185	179,320
<b>Total</b>	<u>558,558</u>	<u>520,560</u>



**Tallow Chandlers Benevolent Fund no 2.**

**Notes to the Financial Statements  
For the Year Ended 5 April 2018**

**18. Related party transactions**

	<b>Income</b>	<b>Expenditure</b>	<b>2018 Outstanding balances</b>	<b>2017 Outstanding balances</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The Worshipful Company of Tallow Chandlers (controlled by the same body of Trustees)	<b>153,237</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>

Within income is a notional donation in kind of £103,237 (2017: £106,469) which represents the value of the expenditure borne by The Worshipful Company of Tallow Chandlers in providing support services to the Tallow Chandlers Benevolent Fund no 2.