

Charity number: 1069939

## **The Charity of the Worshipful Company of Arbitrators**

**Unaudited**

**Trustees' report and financial statements**

**For the year ended 31 July 2018**

# **The Charity of the Worshipful Company of Arbitrators**

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## **The Charity of the Worshipful Company of Arbitrators**

### **Reference and administrative details of the charity, its trustees and advisers For the year ended 31 July 2018**

#### **Trustees**

Philip Fidler, Chairman to 22 October 2018 (resigned 22 October 2018)  
Eamonn Malone, Chairman from 22 October 2018  
Matthew Bastone (resigned 24 October 2017)  
Martyn Bradish  
Sir Gary Hickinbottom (appointed 24 October 2017)  
Chris McArdle  
Anthony Nixon  
Paul Rose  
David Wilson

#### **Charity registered number**

1069939

#### **Principal office**

Temple House  
30 Hospital Lane  
Canterbury  
Kent  
CT1 2PE

#### **Accountants**

Kreston Reeves  
24 Chiswell St  
London  
EC1Y 4YX

#### **Bankers**

CAF Bank

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report For the year ended 31 July 2018**

The Trustees present their annual report together with the financial statements of the charity for the year 1 August 2017 to 31 July 2018.

#### **Objectives and Activities**

##### **a. Policies and objectives**

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.

##### **b. 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.

#### **Achievements and performance**

##### **a. Review of activities**

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 Soldiers' Charity. We also contribute a substantial sum to the annual 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.

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 Past Mistress Arbitrator whereby Authors Aloud provide visits by authors to selected schools. We have also supported or are about to support: Team Up's provision of tutoring in the London Boroughs of Newham and Hackney, the Food Cycle Hub in Islington; computers for the Caritas Anchor House 'new Homeless Unit'; Spitalfields' Crypt Trust assistance for the Homeless, the Personal Support Unit at the Royal Courts of Justice, The Blind Armed forces Veterans, the Stepney City Farm, and 'Mudchute', a Children's Charity which has a park and farm in East London. There are further initiatives under consideration and about to come to fruition, including a prize-giving initiative for 622 Squadron of the RAF. The Charity is currently committed to spend £28,000 on the foregoing.

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report (continued) For the year ended 31 July 2018**

#### **b. Financial review**

The Trust had another successful year creating net income of £3,323 (2017: £16,935). 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 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 £19,714 (2017: £39,999). 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.

#### **c. Reserves**

At July 2018 the Trust held unrestricted reserves of £497,702 (2017: £474,665). 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 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 it grows in strength to support longer term projects.

### **Financial review**

#### **a. Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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

#### **a. Structure**

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.

#### **b. Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

## **The Charity of the Worshipful Company of Arbitrators**

### **Trustees' report (continued) For the year ended 31 July 2018**

#### **c. Policies adopted for the induction and training of Trustees**

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.

#### **d. 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.

#### **Independent Examiner**

Stephen Tanner of Kreston Reeves LLP has been appointed as independent examiner for the ensuing year.

This report was approved by the Trustees, on 8<sup>th</sup> February, 2019 and signed on their behalf by:



**Eamonn Malone**  
Chairman

## **The Charity of the Worshipful Company of Arbitrators**

### **Independent examiner's report For the year ended 31 July 2018**

#### **Independent examiner's report to the Trustees of The Charity of the Worshipful Company of Arbitrators (the 'charity')**

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 July 2018.

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. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

#### **Responsibilities and basis of report**

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Signed:

Dated: 13<sup>th</sup> February, 2019.

Stephen Tanner BSc(Econ) FCA

**Kreston Reeves LLP**  
24 Chiswell St  
London  
EC1Y 4YX

**The Charity of the Worshipful Company of Arbitrators**

**Statement of financial activities  
For the year ended 31 July 2018**

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>				
Donations and legacies	2	34,855	34,855	35,199
Charitable activities	3	4,051	4,051	2,718
Investment income	4	6,777	6,777	6,219
<b>Total income</b>		<b>45,683</b>	<b>45,683</b>	<b>44,136</b>
<b>Expenditure on:</b>				
Charitable activities	5	42,360	42,360	27,201
<b>Total expenditure</b>		<b>42,360</b>	<b>42,360</b>	<b>27,201</b>
<b>Net income before investment gains</b>		<b>3,323</b>	<b>3,323</b>	<b>16,935</b>
Net gains on investments		19,714	19,714	39,999
<b>Net income before other recognised gains and losses</b>		<b>23,037</b>	<b>23,037</b>	<b>56,934</b>
<b>Net movement in funds</b>		<b>23,037</b>	<b>23,037</b>	<b>56,934</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		474,665	474,665	417,731
<b>Total funds carried forward</b>		<b>497,702</b>	<b>497,702</b>	<b>474,665</b>

The notes on pages 8 to 15 form part of these financial statements.




# The Charity of the Worshipful Company of Arbitrators

## Balance sheet As at 31 July 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Investments	10		431,455		415,271
<b>Current assets</b>					
Debtors	11	965		933	
Cash at bank and in hand		66,784		59,299	
		<u>67,749</u>		<u>60,232</u>	
<b>Creditors:</b> amounts falling due within one year	12	(1,502)		(838)	
<b>Net current assets</b>			66,247		59,394
<b>Net assets</b>			<u>497,702</u>		<u>474,665</u>
<b>Charity Funds</b>					
Unrestricted funds	13		497,702		474,665
<b>Total funds</b>			<u>497,702</u>		<u>474,665</u>

The financial statements were approved by the Trustees on 8 February 2019 and signed on their behalf, by:



**Eamonn Malone**  
Chairman

The notes on pages 8 to 15 form part of these financial statements.

# **The Charity of the Worshipful Company of Arbitrators**

## **Notes to the financial statements For the year ended 31 July 2018**

### **1. Accounting policies**

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

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 Charity of the Worshipful Company of Arbitrators constitutes a public benefit entity as defined by FRS 102.

#### **1.2 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.

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

#### **1.3 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.

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

Grants 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.

#### **1.4 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.

# **The Charity of the Worshipful Company of Arbitrators**

## **Notes to the financial statements For the year ended 31 July 2018**

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

#### **1.5 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.

#### **1.6 Debtors**

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

#### **1.7 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.

#### **1.8 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

#### **1.9 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.

#### **1.10 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2018

### 2. Income from donations and legacies

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	29,632	29,632	28,307
Gift Aid	5,223	5,223	6,892
Total donations and legacies	<u>34,855</u>	<u>34,855</u>	<u>35,199</u>
Total 2017	<u>35,199</u>	<u>35,199</u>	

### 3. Income from charitable activities

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Events	4,051	4,051	2,718
	<u>4,051</u>	<u>4,051</u>	<u>2,718</u>
Total 2017	<u>2,718</u>	<u>2,718</u>	

### 4. Investment income

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends	4,122	4,122	3,675
Investment income	2,655	2,655	2,544
	<u>6,777</u>	<u>6,777</u>	<u>6,219</u>
Total 2017	<u>6,219</u>	<u>6,219</u>	

**The Charity of the Worshipful Company of Arbitrators**

**Notes to the financial statements  
For the year ended 31 July 2018**

**5. Analysis of expenditure by activities**

	<b>Grant funding of activities 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Expenditure	<b>36,743</b>	<b>5,617</b>	<b>42,360</b>	27,201
Total 2017	<u>22,462</u>	<u>4,739</u>	<u>27,201</u>	

**6. Analysis of grants**

	<b>Grants to Institutions 2018 £</b>	<b>Grants to Individuals 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Grants	<b>22,939</b>	<b>13,804</b>	<b>36,743</b>	22,462
Total 2017	<u>11,090</u>	<u>11,372</u>	<u>22,462</u>	

**The Charity of the Worshipful Company of Arbitrators**

**Notes to the financial statements  
For the year ended 31 July 2018**

**Analysis of grants (continued)**

	<b>Grants &amp; Prizes to institutions 2018 £</b>	<b>Grants &amp; Prizes to individuals 2018 £</b>	<b>Grants &amp; Prizes to institutions 2017 £</b>	<b>Grants &amp; Prizes to individuals 2017 £</b>
KES Witley	1,000	-	-	-
City Law School	-	250	-	250
Kings College Centre for Construction Law	-	250	-	249
Lord Mayor's Appeal	2,500	-	2,500	-
Poppy Appeal	1,500	-	1,500	-
City of London School for Girls	-	-	-	100
ACF	-	450	-	200
Lord Mayor's Big Curry Lunch	1,000	-	1,000	-
WCA Travelling Scholarship	-	10,104	-	10,073
Team Up	2,500	-	-	-
Pupil Library Assistant of the Year	-	500	-	-
Blind Veterans UK	1,029	-	-	-
Support Reading & Literacy in Schools	4,110	-	-	-
FoodCycle - Hubs	-	-	-	-
Caritas Anchor House	500	-	1,000	-
University of Exeter for IMLAM	-	-	500	-
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	-	1,200	-
Personal Support Unit at RJC	500	-	500	-
City of London School	-	-	250	-
HMS Mersey	-	1,000	-	250
HMS Mersey Sailor of the Year	-	250	-	250
Mr Moreira	-	1,000	-	-
Concordis	5,600	-	-	-
Stepney City Farm	1,000	-	-	-
Spitalfields Crypt Trust	500	-	-	-
<b>Total</b>	<b>22,939</b>	<b>13,804</b>	<b>11,090</b>	<b>11,372</b>

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2018

### 7. Support costs

	Total 2018 £	Total 2017 £
Governance costs		
Bank charges and other costs	1,506	984
Investment advisers fees	582	586
	<b>3,529</b>	<b>3,169</b>
	<hr/>	<hr/>
	<b>5,617</b>	<b>4,739</b>
	<hr/>	<hr/>
Total 2017		
		<hr/>
		<b>4,739</b>
		<hr/>

### 8. Net income/(expenditure)

During the year, no Trustees received any remuneration or any benefits in kind (2017 - £Nil).  
Two Trustees received reimbursement of expenses amounting to £589 in the current year, (2017 - One  
Trustee - £353).

### 9. Independent Examiner's remuneration

The Independent Examiner's remuneration amounts to an Independent Examination fee of £1,506 (2017  
- £ 984).

### 10. Fixed asset investments

	Listed securities £	Other investments £	Total £
<b>Market value</b>			
At 1 August 2017	382,610	32,661	415,271
Additions	106,799	-	106,799
Disposals	(83,574)	(27,184)	(110,758)
Revaluations	20,143	-	20,143
	<hr/>	<hr/>	<hr/>
At 31 July 2018	<b>425,978</b>	<b>5,477</b>	<b>431,455</b>
	<hr/>	<hr/>	<hr/>

#### Investments at market value comprise:

	2018 £	2017 £
Listed investments		
Other fixed asset investments	425,978	382,610
	<hr/>	<hr/>
	<b>5,477</b>	<b>32,661</b>
	<hr/>	<hr/>
Total market value	<b>431,455</b>	<b>415,271</b>
	<hr/>	<hr/>

All the fixed asset investments are held in the UK

# The Charity of the Worshipful Company of Arbitrators

## Notes to the financial statements For the year ended 31 July 2018

### 11. Debtors

	2018 £	2017 £
Other debtors	84	-
Prepayments and accrued income	858	933
Tax recoverable	23	-
	<u>965</u>	<u>933</u>

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

	2018 £	2017 £
Accruals and deferred income	1,502	838
	<u>1,502</u>	<u>838</u>

### 13. Statement of funds

#### Statement of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2018 £
<b>Unrestricted funds</b>					
General Funds - all funds	<u>474,665</u>	<u>45,683</u>	<u>(42,360)</u>	<u>19,714</u>	<u>497,702</u>

#### Statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2017 £
<b>General funds</b>					
General Funds - all funds	<u>417,731</u>	<u>44,136</u>	<u>(27,201)</u>	<u>39,999</u>	<u>474,665</u>



# **The Charity of the Worshipful Company of Arbitrators**

## **Notes to the financial statements For the year ended 31 July 2018**

### **14. Analysis of net assets between funds**

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

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>
Fixed asset investments	<b>431,455</b>	<b>431,455</b>
Current assets	<b>67,749</b>	<b>67,749</b>
Creditors due within one year	<b>(1,502)</b>	<b>(1,502)</b>
	<hr/> <b>497,702</b> <hr/>	<hr/> <b>497,702</b> <hr/>

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

	<b>Unrestricted funds 2017 £</b>	<b>Total funds 2017 £</b>
Fixed asset investments	<b>415,271</b>	<b>415,271</b>
Current assets	<b>60,232</b>	<b>60,232</b>
Creditors due within one year	<b>(838)</b>	<b>(838)</b>
	<hr/> <b>474,665</b> <hr/>	<hr/> <b>474,665</b> <hr/>