

**THE MASTER CHARITABLE TRUST**

**REPORT AND FINANCIAL STATEMENTS**

REGISTERED CHARITY NUMBER: 1139904

**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

Messrs. Hoare Trustees  
37 Fleet Street  
London  
EC4P 4DQ

**THE MASTER CHARITABLE TRUST  
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**THE MASTER CHARITABLE TRUST  
TRUSTEE'S ANNUAL REPORT  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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**Reference and administrative information**

Dates of Deeds                      Declaration of Trust - 23rd December 2009  
Deed of Amendment - 5th January 2011

Trustee                                Messrs. Hoare Trustees

Directors of Messrs. Hoare Trustees                      A S Hoare  
V E Hoare  
S M Hoare  
B S Hoare  
A R Q Hoare  
N I Macpherson

A new Trustee or director may be appointed at any time and notwithstanding that the total number of Trustees may exceed four.

Training is provided to the Trustee(s) on an on going basis.

Nature of Trust                      A registered charity, registered with the Charity Commissioners for England and Wales as number 1139904.

Principal Office                      Messrs. Hoare Trustees  
37 Fleet Street  
London  
EC4P 4DQ

Independent Auditors                      Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Bankers                                C. Hoare & Co.  
37 Fleet Street  
London  
EC4P 4DQ

Solicitors                                Bates Wells LLP  
10 Queen Street Place  
London  
EC4R 1BE

**THE MASTER CHARITABLE TRUST  
TRUSTEE'S ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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**Report of the Trustee for the year ended 30th September 2020.**

The Trustee of the Master Charitable Trust (the Charity) presents its report along with the financial statements of the charity for the year to 30th September 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 11 and 12 and comply with the charity's Trust Deed, the Charities Act 2011 and the requirements of the 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 issued in July 2014.

Structure, Governance and Management

The Charity's registration number is 1139904. The principal and registered address is 37 Fleet Street, London EC4P 4DQ. The Charity is governed by a Declaration of Trust dated 23rd December 2009 (as amended by Deed on 5th January 2011). The Trustee, who is stated on page 1, is responsible for the management of the Charity.

The Charity's finances encompass the General Endowment Fund and individual Giving Funds. The Giving Funds comprise a capital account, an income account and a Giving Account. The capital accounts are treated as expendable endowments under the Charities SORP, and all the Funds are unrestricted under the terms of the Trust Deed.

Donors have the ability to name their own Giving Fund subject to the Trustee's approval. Donors can make an initial lump sum contribution through cash, shares or other assets and replenish their Giving Fund when they wish. Donors will receive a charity "cheque book" in the name of the Giving Fund and Donors can choose to invest the funds in a professionally managed portfolio in order to grow their fund.

Objectives and Activities

The Declaration of Trust directs that the capital (expendable endowment) and income of the Charity is to be held on trust for the benefit of such exclusively charitable objects and purposes in any part of the world as the Trustee may in its absolute discretion think fit.

The Charity provides a simple and cost effective way for donors to manage their charitable donations retaining the ability to direct the investment strategy or appoint an investment manager. The in-built flexibility and the way in which the Bank's Philanthropy and Giving service is supporting customers throughout the process makes it easier for customers to be more philanthropic.

Many donors are attracted by the fact the Charity can be used to create an enduring legacy and appoint a successor.

Fundraising

Due to the Coronavirus pandemic, no fundraising activities were undertaken during the year ending 30th September 2020. During the previous year donations were received from the public as a result of a specific programme run internally by the charity. An external provider was employed by the Trustee with the specific programme to assist with an event and an appropriate agreement was signed to consider such aspects as data protection. The amount raised from this activity in the prior year amounted to £292,825. No complaints were received in the year regarding our fund-raising practices.

Grant making policy

A wide variety of UK charitable causes have been supported. The policy is to make grants to UK registered charities or for charitable purposes in any part of the world as approved by the Trustee.

As required by the Charities Act 2011, the Trustee has referred to the Charity Commission's general guidance on public benefit when formulating the grant making policy. In particular, the Trustee has considered how grants can be made to ensure maximum benefit flows through to the intended ultimate beneficiaries. The grants benefit a number of public causes, as detailed in note 5. In shaping objectives and planning activities for the year, the trustee has considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance

It has been incredibly heartening to see that our donors have reacted to the pandemic with an increase in generosity. During the year, the Trustee made donations totaling £43,533,342 to 627 registered charities (2019: £25,027,469 to 495). This included five single donations of over £1m. Over half of all donations were directed towards Healthcare and Education. We pride ourselves on our flexibility and, in the last year, this has continued to prove valuable. The Master Charitable Trust currently sits at around 10% of the UK Donor Advised Fund Market and the Trustee looks forward to continuing to find ways to assist donors in being impactful philanthropists.

Financial Review

The Trustee received donations during the year of £86,745,231 (2019: £57,496,628) which includes £5,239,012 of Gift Aid claims (2019: £1,571,315), and established a further 19 Giving Funds which between them donated new expendable endowments totalling £27,917,893 bringing the number of Giving Funds to 89 at the year end. The net inflow of funds after recognised gains and losses amounted to £46,112,232 (2019: £36,425,309). The financial statements for the year are set out on pages 8 to 19.



**THE MASTER CHARITABLE TRUST**  
**TRUSTEE'S ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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Risk Management

Messrs. Hoare Trustees is responsible for the oversight of the risks faced by the Charity. Messrs. Hoare Trustees regularly review the risk position, internal controls assessment and compliance with relevant statutory and finance regulations.

The Charity has a risk-management process designed to identify the major risks that could impact the Charity.

This process identifies the major risks the Charity faces, the likelihood of occurrence, the significance of the risk, and any mitigating controls that are in place. It also seeks to identify any actions and resources required to manage these risks further.

The Charity's investment activities are its main financial risk. This risk is managed, with the support of investment advisers, through: regular review of the investment policy; management of strategic asset allocation; risk measurement and reporting; independent valuation and performance reporting; diversification across a broad range of asset classes, geographies, investment managers and investment strategies.

To mitigate the possibility of any inappropriate donation being made, the Trustee undertakes certain due diligence on each benefitting charity to ensure that it is either a UK registered charity with the Charity Commission, an exempt charitable body (church or school etc) or a charity limited by guarantee. Where a donation is to be made to a foreign body or individual, more extensive due diligence is undertaken in accordance with HMRC guidelines.

Investment Policy and Performance

Under the terms of Clause 22 of the Trust Deed the Trustee is able to apply any money to be invested in the purchase of or at interest upon the security of such shares, stocks, funds, securities, land, buildings, chattels or other investments or property of whatever nature and wherever situate and whether involving liabilities or producing income or not, as it sees fit. For the avoidance of doubt, the Trustee may for investment purposes, pool all the property held by them under the terms of this Deed.

The Trustee has a policy statement in place for each of the Giving funds which is invested in line with the criteria and may differ for each fund. Performance is measured in accordance with the risk profile of each Trust Fund.

A donor may approach the Trustee with a suggestion of investing in a social investment project. Certain due diligence would then be carried out and the findings presented to the donor and Trustee. Once the donor and Messrs. Hoare Trustees are satisfied with the due diligence report both parties sign the report and the investment may proceed.

Reserves Policy

According to the Charity Commissioners guidance update in their Statement of Recommended Practice: "Accounting and Reporting by Charities" revised in July 2014, the Trust's expendable endowment is not considered part of the charity's free reserves. However, this endowment is a considerable sum, and the capital can be used at the discretion of the Trustee to fund any deficit on expenditure. It is therefore the view of the Trustee that the Trust does not need to hold any additional money in reserve.

Future Plans

In the medium to long term, the Trustee intends to increase the level of charitable donations by promoting increased participation and increasing the number of Giving funds. The Trustee is mindful of the potential impact that Covid-19 may have on the growth of the trust in terms of new Giving funds being established as well as the possible fall of investment value and income.

**THE MASTER CHARITABLE TRUST  
TRUSTEE'S ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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**Statement of Trustee's responsibilities**

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

Charity law requires the Trustee to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

The Trustee is 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.

**Dec 13, 2021**

Approved by the Trustee on:..... Date

and signed on its behalf by: ..... Director

Alexander RQ Hoare

Alexander RQ Hoare (Dec 13, 2021 16:32 GMT)..... Director

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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**Opinion**

We have audited the financial statements of The Master Charitable Trust for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020, 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 Auditor's Responsibilities for the audit of 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 UK, including the FRC'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.

**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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; 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 required for our audit.

**Responsibilities of trustee**

As explained more fully in the trustee's responsibilities statement set out on page 4, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our 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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)  
FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charity's trustee, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustee as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

**Moore Kingston Smith LLP**  
**Statutory auditor**

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 14 December 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



**THE MASTER CHARITABLE TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

	Notes	-----Unrestricted Funds-----			-----Unrestricted Funds-----			Total Funds 2019 £
		General Endowment Fund £	Income £	Expendable Endowment £	General Endowment Fund	Income	Expendable Endowment	
<b>Income and Expenditure</b>								
<b>INCOME AND ENDOWMENTS FROM:</b>								
Donations and legacies:-								
Endowments received	2	1,100	-	86,744,131	10,493	-	57,486,135	57,496,628
Investment income	3	-	1,154,712	-	-	1,514,188	1,608	1,515,796
Other trading activities	4	-	-	-	-	-	292,825	292,825
<b>TOTAL INCOME</b>		<b>1,100</b>	<b>1,154,712</b>	<b>86,744,131</b>	<b>10,493</b>	<b>1,514,188</b>	<b>57,780,568</b>	<b>59,305,249</b>
<b>EXPENDITURE ON:</b>								
Cost of raising funds								
Investment management costs	7	2,155	-	178,340	2,094	-	126,531	128,625
Fundraising costs		-	-	-	-	153,538	-	153,538
Charitable activities	5	-	44,031,296	-	-	25,466,846	-	25,466,846
<b>TOTAL EXPENDITURE</b>		<b>2,155</b>	<b>44,031,296</b>	<b>178,340</b>	<b>2,094</b>	<b>25,620,384</b>	<b>126,531</b>	<b>25,749,009</b>
<b>NET OPERATING INCOME/(EXPENDITURE)</b>		<b>(1,055)</b>	<b>(42,876,584)</b>	<b>86,565,791</b>	<b>8,399</b>	<b>(24,106,195)</b>	<b>57,654,037</b>	<b>33,556,241</b>
<b>OTHER RECOGNISED GAINS/(LOSSES)</b>								
Gains on Investments	9	12,972	-	2,450,144	9,193	-	2,599,159	2,608,352
Realised (loss) adjustment		-	-	(1,271)	(77)	-	(1,780)	(1,857)
(Losses)/Gains on Currency transactions		-	-	(37,765)	-	-	262,573	262,573
<b>NET INCOME/(EXPENDITURE)</b>		<b>11,917</b>	<b>(42,876,584)</b>	<b>88,976,899</b>	<b>17,515</b>	<b>(24,106,195)</b>	<b>60,513,989</b>	<b>36,425,309</b>
Gross transfer between Funds	12	(4,522)	42,904,005	(42,899,483)	(4,183)	24,185,161	(24,180,978)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>7,395</b>	<b>27,421</b>	<b>46,077,416</b>	<b>13,332</b>	<b>78,966</b>	<b>36,333,011</b>	<b>36,425,309</b>
<b>RECONCILIATION OF FUNDS</b>								
Total funds brought forward		371,909	160,048	134,677,530	358,577	81,082	98,344,519	98,784,178
<b>BALANCES CARRIED FORWARD</b>		<b>379,304</b>	<b>187,469</b>	<b>180,754,946</b>	<b>371,909</b>	<b>160,048</b>	<b>134,677,530</b>	<b>135,209,487</b>

All amounts relate to continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.


**THE MASTER CHARITABLE TRUST**  
**BALANCE SHEET**  
**AS AT 30th SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Listed Investments	9	83,726,504	59,623,796
Unlisted Investments	9	1,287,307	2,243,726
Programme Related Investments	10	238,298	170,040
Tangible fixed assets	11	<u>20,200</u>	<u>22,725</u>
		85,272,309	62,060,287
<b>CURRENT ASSETS</b>			
Cash at Bank		96,107,990	73,117,901
Sundry Debtors	13	<u>210,446</u>	<u>621,953</u>
		96,318,436	73,739,854
<b>CURRENT LIABILITIES</b>			
Creditors - falling due within one year	14	<u>269,026</u>	<u>590,654</u>
<b>NET CURRENT ASSETS</b>		<u>96,049,410</u>	<u>73,149,200</u>
<b>Total assets plus current assets</b>		<u>181,321,719</u>	<u>135,209,487</u>
<b>NET ASSETS</b>		<u><u>181,321,719</u></u>	<u><u>135,209,487</u></u>
<b>UNRESTRICTED FUNDS</b>			
General Endowment Fund		379,304	371,909
Giving Funds			
Expendable Endowment		180,754,946	134,677,530
Income Funds		<u>187,469</u>	<u>160,048</u>
		<u><u>181,321,719</u></u>	<u><u>135,209,487</u></u>

Approved by the Trustee and authorised for issue on:

and signed on its behalf by:

Dec 13, 2021  
 Date

  
 Director

Alexander R. Hoare  
 Alexander R. Hoare (Dec 13, 2021 16:01 GMT)  
 Director

**THE MASTER CHARITABLE TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	16	15,252,898	25,562,486
<b>Cash flows from investing activities</b>			
Dividends and interest from investments	3	1,154,712	1,515,796
Proceeds from sale of fixed asset investments	9	49,253,821	28,274,714
Proceeds from sale of programme related investments	10	10,000	10,188
Purchase of fixed asset investments	9	(42,603,099)	(39,675,843)
Purchase of programme related investments	10	(78,242)	(50,040)
Purchase of tangible fixed assets	11	-	(25,250)
<b>Net cash (used in) investing activities</b>		<u>7,737,191</u>	<u>(9,950,436)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		22,990,089	15,612,051
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>73,117,901</u>	<u>57,505,850</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>96,107,990</u></u>	<u><u>73,117,901</u></u>

The charity has no net debt and accordingly no net debt note is presented.

The notes on pages 11 to 19 form part of these financial statements.



**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

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## **1 ACCOUNTING POLICIES**

### **(a) Basis of Preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

### **(b) Fund Structure**

The General Endowment Fund is a fund which the Trustee is free to use in accordance with the charitable objects.

Giving Funds comprise those funds that Donors have donated to their Giving Fund. Whilst these funds are technically unrestricted, donors are able to request Messrs. Hoare Trustees to make payments and understand that these are not legally binding instructions. Within the Giving Funds, the expendable endowment represents those assets which are held for the longer term of the Trust, in accordance with the terms of the Declaration of Trust.

Income arising within the General Endowment Fund and Giving Funds can be used in accordance with the objects of the Trust as well as the expendable endowment, which can be spent in certain circumstances in fulfilment of the Trust's objects.

Any capital gains or losses arising on the investments held in the Expendable Endowment Fund form part of that Fund.

### **(c) Income**

All income is recognised in the Statement of Financial Activities (SOFA) when the conditions for receipt have been met, the amount is measurable and receipt is probable. Where a claim for repayment of income tax has been or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to different categories of income:

#### **Grants and Donations Receivable**

Grants and Donations are recognised in the SOFA when conditions for receipt have been complied with.

#### **Investment Income**

Interest receivable on deposit and securities is accounted for as it accrues. Dividend income receivable on securities is accounted for when received by the investment manager.

### **(d) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to the different categories of expenditure:

#### **Costs of Raising Funds**

The costs of raising funds consist of investment management and certain legal fees.

#### **Charitable Activities**

Donations payable are recognised when they are approved by the trustees and the recipient of the grant has been informed of the amount to be paid.

#### **Governance Costs**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit fees together with support costs.

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**1 ACCOUNTING POLICIES (Continued)**

**(e) Tangible Fixed Assets**

Tangible fixed assets costing more than £100 are capitalised and depreciated over their useful lives and shown in the balance sheet at cost less accumulated depreciation. Depreciation has been calculated at the rate of 10% of original cost, per year.

**(f) Investments**

Investments are stated at market value at the Balance Sheet date. The SOFA includes the net gains and losses on revaluation and disposals throughout the year.

**(g) Realised and Unrealised Gains and Losses**

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

**(h) Going concern**

The Trustee has assessed whether the use of the going concern basis is appropriate and has considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements and has considered the potential impact of the Covid-19 pandemic. In particular the Trustee has taken account of investment income pressures and the likely impact of the pandemic on investment values, as well as expenditure. The Trustee has the flexibility to draw down on the expendable endowment fund if required to support grant expenditure. After making enquiries the Trustee has concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**(i) Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income (which are not financial investments), all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 13 and 14 for the debtor and creditor notes.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investment with original maturities of three months or less.

**(k) Key Estimates and Judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2 ENDOWMENTS RECEIVED**

	2020	2019
	£	£
Cash:		
Donations received in year	53,651,393	49,597,314
Gift Aid reclaimable	5,239,012	1,571,127
Investments:		
Transferred into Trust at Market Value	27,854,826	6,302,937
Tangible fixed asset - Valtra A750 2 wheel drive tractor	-	25,250
	<u>86,745,231</u>	<u>57,496,628</u>



**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**3 INVESTMENT INCOME**

	2020 £	2019 £
Investment income	800,821	874,889
Interest on cash deposits	116,176	272,986
Interest on loan notes	238,022	366,260
Compensatory sum received re incorrect stock transfer	-	1,608
Income cash currency (loss)/gain	(307)	53
	<u>1,154,712</u>	<u>1,515,796</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	2020 £	2019 £
Hurlingham Club charity ball and auction	-	292,825
	<u>-</u>	<u>292,825</u>

**5 CHARITABLE ACTIVITIES**

The charity undertook no direct charitable activities but awarded donations to a number of institutions in furtherance of its charitable activities.

	2020 £	2019 £
Grants made during the year	43,533,342	25,027,469
Previous years donation adjustments - Over provision of previous year	(2,284)	-
- Under provision of Hod HaCamel committed payments	-	15,933
Support costs (see note 7)	500,238	423,444
	<u>44,031,296</u>	<u>25,466,846</u>

The total comprised grants to the following:

The prevention or relief of poverty	3,779,801	980,634
The advancement of education	5,993,814	4,015,328
The advancement of religion	813,853	491,191
The advancement of health or the saving of lives	15,778,193	4,545,753
The advancement of citizenship or community development	1,775,869	8,865,987
The advancement of the arts, culture, heritage or science	4,744,601	2,290,355
The advancement of amateur sport	108,940	156,980
The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity	51,030	316,000
The advancement of environmental protection or improvement	787,987	319,080
The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage	3,975,834	1,297,700
The advancement of animal welfare	473,072	165,600
The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services	218,545	575,319
Any other charitable purpose	5,031,803	1,007,542
	<u>43,533,342</u>	<u>25,027,469</u>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**5 CHARITABLE ACTIVITIES (continued)**

<b>Institutional Donations of £100,000 and over</b>	<b>2020 £</b>
Action on Addiction	624,873
Advance Advocacy & Non-Violence Community Education	150,000
Age UK	260,650
Age UK Kensington & Chelsea	125,000
Alzheimer's Society	150,475
British Exploring Society	170,254
British Red Cross	600,500
Chelsea and Westminster Hospital NHS Foundation Trust	500,000
Christopher & Dana Reeve Foundation	241,594
City Bridge Trust	200,000
Clink Charity	2,000,000
Cornwall Air Ambulance	104,500
COVID-19 Relief & Recovery, Barbados	1,301,556
Crisis UK	260,000
Dementia UK	160,500
Edith Cavell Fund for Nurses	250,000
Emmaus Gloucestershire	200,000
Fareshare	745,000
Film & Television Charity	100,000
Five Towns Plus Hospice Fund	157,500
Forward Trust	451,500
Glass Door Homeless Charity	250,000
Gloucester Cathedral	250,000
Gloucestershire Community Foundation	100,000
Governors For Schools	985,000
Heart-Based Living Initiative	195,000
Helpforce Community Trust	250,000
Hestia Housing & Support	100,000
Hospice UK	500,000
Institute for Cancer Vaccines and Immunotherapy	400,000
Kensington & Chelsea Foundation	110,000
Longfield Hospice Care	155,000
Machynlleth Tabernacle Trust	100,000
Macmillan Cancer Support	252,425
Maggie Keswick Jencks Cancer Caring Centres Trust	655,000
Mailforce Charity CIO	1,000,000
Marylebone Project	150,000
National Emergencies Trust	500,000
National Gallery Trust	346,067
Neurokinex Charitable Trust	262,000
NHS Charities Together	5,250,000
One Small Thing	471,000
Passage 2000	560,000
Pepper Foundation	100,000
Ramsdell Church & Village Hall	200,000
Refuge	600,000
Royal Academy of Arts	2,506,000
Royal Foundation	255,110
Royal Opera House Covent Garden Foundation	522,750
Royal Osteoporosis Society	250,000
Royal Trinity Hospice	251,225
Royal Voluntary Service	200,000

Balance carried forward

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**5 CHARITABLE ACTIVITIES (continued)**

	<b>2020</b>
	<b>£</b>
<b>Institutional Donations of £100,000 and over</b>	
Balance brought forward	26,480,479
Safelives	150,000
Samaritans	250,225
Smart Works Charity	112,000
Solace Women's Aid	150,000
St Martin-in-the-Fields Charity	600,500
St Mary's Bourne Street	100,000
St Mary's PCC, Chipping Norton	100,000
St Mungo Community Housing Association	251,450
Stewardship Services Ltd	490,000
Stowe School Foundation	350,000
Strategic Resource Group Inc.	700,000
Substance Abuse Foundation	870,803
Sue Ryder	205,000
Sutton's Hospital In Charterhouse	100,000
Synchronicity Earth	335,000
Target Ovarian Cancer	120,000
Teenage Cancer Trust	130,000
Temple Church	109,843
The Big Give Trust	200,000
The Care Workers Charity	250,000
The Prudence Trust	3,250,876
Trussell Trust	360,500
UK Friends of the Association for the Wellbeing of Israel's Soldiers	100,000
United World Schools	100,571
University of Buckingham	100,000
Victoria and Albert Museum	502,000
Whitley Fund for Nature	114,000
Winnie Mabaso Foundation	175,000
Women's Aid Federation of England	150,000
Zoological Society of London	160,000
<b>Total grants over £100,000</b>	<b><u><u>37,068,247</u></u></b>

**6 RELATED PARTY TRANSACTIONS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Donations received from a Director of the Trustee	45,000	93,750
Donations received from other charities where Messrs. Hoare Trustees is a Trustee:		
The Golden Bottle Trust (Charity Commission no. 327026)	108,000	82,000
	<b><u><u>153,000</u></u></b>	<b><u><u>175,750</u></u></b>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**7 ANALYSIS OF SUPPORT COSTS**

	2020 £	2019 £
Bank charges	322	190
Cost of printing voucher books	5,988	3,048
Miscellaneous expenses	-	772
Depreciation of tangible fixed asset	2,525	2,525
Legal fees	50,046	36,050
Administration	58,626	104,304

**GOVERNANCE COSTS**

Trustee Administration Fee (including VAT)	359,676	247,291
Independent Auditor's Remuneration	23,055	17,500
(Over)/Under provision of previous years audit fee	-	(20)
Legal Costs	-	11,784
	<u>500,238</u>	<u>423,444</u>

**INVESTMENT RELATED FEES**

Investment Management fees	156,499	115,049
Custody Fees	22,646	12,626
Enhance Investment Review Fees	1,350	950
	<u>180,495</u>	<u>128,625</u>

**8 REMUNERATION OF TRUSTEE**

For the year ended 30th September 2020, the Trustee charged £359,676 (2019; £247,291) for their administrative fees in accordance with the power given to them by virtue of clause 28.3 of the Declaration of Trust. No out of pocket expenses were reimbursed by the Charity.

**9 FIXED ASSET INVESTMENTS**

Movement in fixed asset investments	Listed £	Unlisted £	Total 2020 £	2019 £
<b>Investments</b>				
Market Value Brought Forward	59,623,796	2,243,726	61,867,522	41,555,104
Investments gifted in	27,333,911	-	27,333,911	6,302,937
Add: Acquisition costs	42,542,045	61,054	42,603,099	39,675,843
Less: Disposal proceeds	(48,236,348)	(1,017,473)	(49,253,821)	(28,274,714)
Realised (losses)/gains on disposals	(1,476,629)	-	(1,476,629)	1,120,433
Unrealised gains:	3,939,729	-	3,939,729	1,487,919
<b>Market Value Carried Forward</b>	<u>83,726,504</u>	<u>1,287,307</u>	<u>85,013,811</u>	<u>61,867,522</u>
Historical cost as at 30th September 2020	<u>76,340,372</u>	<u>62,521</u>	<u>76,402,893</u>	<u>57,379,590</u>

The market value of investments to 30th September 2020 includes an investment of unlisted shares in Darwin Acquisitions Limited, totalling £1.287 million that was originally purchased on the 17th March 2014.



**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**10 PROGRAMME RELATED INVESTMENTS**

Movement in programme related investments

	2020 £	2019 £
<b>Unlisted programme related investments</b>		
Value brought forward	170,040	130,188
Adjustment to previous year - CW Renewable Energy	-	(188)
Programme related investments Acquired:		
813 Herddle Group Limited	78,242	50,040
Programme related investments Redeemed:		
100 London Missional Housing Bond	(10,000)	(10,000)
Unrealised profit on investments	16	-
<b>Value Carried Forward</b>	<b>238,298</b>	<b>170,040</b>
Historical cost as at 30th September 2020	<b>238,469</b>	<b>170,227</b>

All of the programme related investments were held in the United Kingdom and are unlisted. They have therefore been valued at par.

The Herddle Group Limited strives for cost efficient, socially responsible, fully intergrated, data driven property management. For responsible owner, residents and communities.

	2020 £	2019 £
<b>Unlisted programme related investments held</b>		
40,000 Adoption UK Charity 5% Fixed Rate Unsecured Loan Notes 2021	40,000	40,000
25,000 CW Renewable Energy EIS Fund	25,000	25,000
1 EcoPower Indian Ocean Ltd	23,165	-
813 Herddle Group Limited	50,040	50,040
100 London Missional Housing Bond	-	10,000
10,000 Mission Housing Limited 1.25% Loan 30/11/2024	10,623	-
50,000 Mustard Seed Maze Social Entrepreneurship Fund	44,470	-
33.33333 Oikocredit GBP Depository Receipts	5,000	5,000
39 Relational Analytics Ordinary £1 Shares	39	39
14,961 Relational Analytics Preference Shares of £1	14,961	14,961
25,000 Relational Analytics Subordinated Loan Notes	25,000	25,000
	<b>238,298</b>	<b>170,040</b>

**11 TANGIBLE FIXED ASSETS**

	2020	
	Motor vehicles £	Totals £
<b>Cost</b>		
At 1st October 2019 and 30 September 2020	25,250	25,250
<b>Depreciation</b>		
At 1st October 2019	2,525	2,525
Charge for year	2,525	2,525
Disposals	-	-
At 30th September 2020	<b>5,050</b>	<b>5,050</b>
<b>Net book value</b>		
At 30th September 2020	<b>20,200</b>	<b>20,200</b>
At 30th September 2019	<b>22,725</b>	<b>22,725</b>



**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**12 FUND TRANSFERS**

The Trustee made a transfer £4,522 from the General Endowment Fund as well as a transfer of £42,899,483 from the Expendable Endowment Fund, totalling £42,904,005 to the Giving Fund in order to meet the level of donations as suggested by donors and in accordance with the terms under which the Giving Funds are operated.

**13 DEBTORS**

	<b>2020</b>	2019
	<b>£</b>	£
Cash due from donors	-	371,150
Gift Aid tax reclaim	62,688	5,091
Investment income/interest due	1,186	1,036
Recoverable tax on investment income	64,131	43,305
Donations to be repaid/to be received	25,000	145,973
Loan to Herddle Limited	5,000	-
Other Debtors and prepayments	52,441	55,398
	<b>210,446</b>	<b>621,953</b>

**14 CREDITORS**

	<b>2020</b>	2019
	<b>£</b>	£
<b>Due within one year</b>		
Trustee Administration Fees	102,620	180,833
Independent Auditor's Remuneration	40,305	17,500
Investment Management Fees	43,259	28,380
Custody fees	5,581	3,923
Donation Committed -		
- Hod HaCarmel Educational Centre for Children	-	220,658
- University of Exeter Social Mobility Scholarships Fund	-	100,000
Other creditors	77,261	39,360
	<b>269,026</b>	<b>590,654</b>

**THE MASTER CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30th SEPTEMBER 2020**

**15 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	-----Unrestricted Funds-----			
	General Endowment Fund 2020	Income 2020 £	Expendable Endowment 2020 £	Total Funds 2020 £
Fixed Assets				
Listed Investments	350,727	-	83,375,777	83,726,504
Unlisted Investments	-	-	1,287,307	1,287,307
Programme Related Investments	-	-	238,298	238,298
Tangible fixed assets	-	-	20,200	20,200
Current Assets				
Cash	29,917	187,469	95,890,604	96,107,990
Sundry Debtors	-	-	210,446	210,446
Creditors due within one year	(1,340)	-	(267,686)	(269,026)
Creditors due over one year	-	-	-	-
Total	<u>379,304</u>	<u>187,469</u>	<u>180,754,946</u>	<u>181,321,719</u>

	-----Unrestricted Funds-----			
	General Endowment Fund 2019 £	Income 2019 £	Expendable Endowment 2019 £	Total Funds 2019 £
Fixed Assets				
Listed Investments	353,244	-	59,270,552	59,623,796
Unlisted Investments	-	-	2,243,726	2,243,726
Programme Related Investments	-	-	170,040	170,040
Tangible fixed assets	-	-	22,725	22,725
Current Assets				
Cash	19,811	160,048	72,938,042	73,117,901
Sundry Debtors	458	-	621,495	621,953
Creditors due within one year	(1,604)	-	(589,050)	(590,654)
Creditors due over one year	-	-	-	-
Total	<u>371,909</u>	<u>160,048</u>	<u>134,677,530</u>	<u>135,209,487</u>

**16 RECONCILIATION OF OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net operating income	43,688,152	33,556,241
Investment income	(1,154,712)	(1,515,796)
Investments gifted	(27,333,911)	(6,302,937)
Gains on Currency transactions	(39,036)	260,716
Depreciation	2,525	2,525
(Increase) in Debtors	411,507	(199,277)
(Decrease)/increase in Creditors	(321,628)	(238,986)
Net cash inflow from operating activities	<u>15,252,898</u>	<u>25,562,486</u>