

THE MASTER CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

REGISTERED CHARITY NUMBER: 1139904

FOR THE YEAR ENDED 30th SEPTEMBER 2022

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 2022**

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 R R Hoare (appointed 10 May 2022) N I Macpherson (resigned 10 May 2022) |

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. |
| Nicholas | Messrs. Hoare Trustees 37 Fleet Street London EC4P 4DQ |
| Independent Auditors | Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP |
| 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 2022**

Report of the Trustee for the year ended 30th September 2022.

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 2022. 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 (SORP) 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 an account which 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 and input into the investment strategy or appoint an investment manager. The in-built flexibility and the way in which the Charity and the 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

No fundraising activities were undertaken during the year ending 30th September 2022 (2021; nil) and as such, no complaints were received in the year regarding 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 approving grants. 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 4. 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

Our donors have continued in their generosity in the past year, with donations totalling £45,335,450 to 759 different charities (2021; £58,183,436 to 1,125). This year we saw a fifth of these donations go towards citizenship and community development, closely followed by grants in support of the arts, culture, heritage and science related causes. Once again eight donations of £1m or over were made in the year benefiting seven different charities. We continue to provide a flexible service for our donors, supporting a wide variety of charities and projects. Alongside growth in the UK DAF market, MCT has also grown, continuing to hold around 10% of the market share. We hope to continue to support our donors in having a positive impact in years to come.

Financial Review

The Trustee received donations during the year of £140,171,977 (2021; £87,103,685) which includes £1,560,049 of Gift Aid claims (2021; £4,517,914), and established a further 24 Giving Funds which between them donated new expendable endowments totalling £49,426,813 bringing the number of Giving Funds to 128 at the year end. The net inflow of funds after recognised gains and losses amounted to £76,311,728 (2021; £55,437,569). The financial statements for the year are set out on pages 8 to 18.

**THE MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

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 reviews of investments; 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 beneficiary 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 or part of the property held by them under the terms of this Deed.

Performance is measured in accordance with the risk profile of each Trust Fund.

Reserves Policy

According to the Charity Commission's 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 MASTER CHARITABLE TRUST
TRUSTEE'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

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.

Approved by the Trustee on: 25.07.23 Date

and signed on its behalf by:  Director

 Director

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

Opinion

We have audited the financial statements of The Master Charitable Trust for the year ended 30 September 2022 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 2022, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

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.
- 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF THE MASTER CHARITABLE TRUST (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

26 July 2023

9 Appold Street
London
EC2A 2AP

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 2022

| | Notes | -----Unrestricted Funds----- | | | -----Unrestricted Funds----- | | | Total Funds 2022 | Total Funds 2021 |
|---|-------|------------------------------|---------------------|----------------------|------------------------------|---------------------|----------------------|--------------------|------------------|
| | | General Endowment Fund | Income | Expendable Endowment | General Endowment Fund | Income | Expendable Endowment | | |
| | | £ | £ | £ | £ | £ | £ | £ | £ |
| Income and Expenditure | | | | | | | | | |
| INCOME AND ENDOWMENTS FROM: | | | | | | | | | |
| Donations and legacies:- | | | | | | | | | |
| Endowments received | 2 | 15,150 | - | 140,156,827 | | | 87,038,613 | 87,103,685 | |
| Investment income | 3 | - | 2,229,788 | - | | 1,488,148 | - | 1,488,148 | |
| TOTAL INCOME | | 15,150 | 2,229,788 | 140,156,827 | | 1,488,148 | 87,038,613 | 88,591,833 | |
| EXPENDITURE ON: | | | | | | | | | |
| Cost of raising funds | | | | | | | | | |
| Investment management costs | 6 | 1,026 | - | 337,089 | 1,493 | - | 291,684 | 293,177 | |
| Charitable activities | 4 | - | 45,990,532 | 825,215 | - | 58,748,993 | - | 58,748,993 | |
| TOTAL EXPENDITURE | | 1,026 | 45,990,532 | 1,162,304 | 1,493 | 58,748,993 | 291,684 | 59,042,170 | |
| NET OPERATING INCOME/(EXPENDITURE) | | 14,124 | (43,760,744) | 138,994,523 | 63,579 | (57,260,845) | 86,746,929 | 29,549,663 | |
| OTHER RECOGNISED GAINS/(LOSSES) | | | | | | | | | |
| (Losses)/gains on Investments | 8&9 | (15,269) | - | (20,797,067) | 16,155 | - | 26,314,831 | 26,330,986 | |
| Realised (loss) adjustment | | - | - | - | - | - | (6) | (6) | |
| Gains/(losses) on currency transactions | | - | - | 1,876,161 | - | - | (443,074) | (443,074) | |
| NET INCOME/(EXPENDITURE) | | (1,145) | (43,760,744) | 120,073,617 | 79,734 | (57,260,845) | 112,618,680 | 55,437,569 | |
| Gross transfer between Funds | 13 | (41,897) | 43,776,893 | (43,734,996) | (64,410) | 57,265,945 | (57,201,535) | - | |
| NET MOVEMENT IN FUNDS | | (43,042) | 16,149 | 76,338,621 | 15,324 | 5,100 | 55,417,145 | 55,437,569 | |
| RECONCILIATION OF FUNDS | | | | | | | | | |
| Total funds brought forward | 14 | 394,628 | 192,569 | 236,172,091 | 379,304 | 187,469 | 180,754,946 | 181,321,719 | |
| BALANCES CARRIED FORWARD | 14 | 351,586 | 208,718 | 312,510,712 | 394,628 | 192,569 | 236,172,091 | 236,759,288 | |

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 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|---------------------------|---------------------------|
| FIXED ASSETS | | | |
| Listed Investments | 8 | 159,867,653 | 138,372,354 |
| Unlisted Investments | 8 | 949,689 | 868,795 |
| Programme Related Investments | 9 | 228,198 | 238,298 |
| Tangible fixed assets | 10 | <u>15,150</u> | <u>17,675</u> |
| | | 161,060,690 | 139,497,122 |
| CURRENT ASSETS | | | |
| Cash at Bank | | 152,295,914 | 96,423,258 |
| Sundry Debtors | 11 | <u>235,880</u> | <u>2,906,365</u> |
| | | 152,531,794 | 99,329,623 |
| CURRENT LIABILITIES | | | |
| Creditors - falling due within one year | 12 | <u>521,468</u> | <u>2,067,457</u> |
| NET CURRENT ASSETS | | <u>152,010,326</u> | <u>97,262,166</u> |
| Total assets plus current assets | | 313,071,016 | 236,759,288 |
| NET ASSETS | | <u><u>313,071,016</u></u> | <u><u>236,759,288</u></u> |
| UNRESTRICTED FUNDS | | | |
| General Endowment Fund | 14 | 351,586 | 394,628 |
| Giving Funds | | | |
| Expendable Endowment | 14 | 312,510,712 | 236,172,091 |
| Income Funds | 14 | <u>208,718</u> | <u>192,569</u> |
| | | <u><u>313,071,016</u></u> | <u><u>236,759,288</u></u> |

Approved by the Trustee and authorised for issue on:

and signed on its behalf by:

25.07.23

Date



Director



Director

THE MASTER CHARITABLE TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th SEPTEMBER 2022

| | Notes | 2022 £ | 2021 £ | |
|---|-------------------------|--------------------|------------------------|-----------------------|
| Cash flows from operating activities | | | | |
| Net cash provided by operating activities | 15 | 78,266,296 | 14,961,090 | |
| Cash flows from investing activities | | | | |
| Dividends and interest from investments | 3 | 2,229,788 | 1,488,148 | |
| Proceeds from sale of fixed asset investments | 8 | 82,625,597 | 41,630,514 | |
| Proceeds from sale of programme related investments | 9 | 6,211 | 679 | |
| Purchase of fixed asset investments | 8 | (105,928,880) | (59,315,162) | |
| Purchase of programme related investments | 9 | (1,445,673) | - | |
| Redemption of programme related investments | 9 | 1,469,317 | - | |
| Net cash (used in) investing activities | | (21,043,640) | (16,195,822) | |
| Cash flows from investing activities | | | | |
| Movement on loan | | (1,350,000) | 1,550,000 | |
| Net cash (used in) investing activities | | (1,350,000) | 1,550,000 | |
| Change in cash and cash equivalents in the reporting period | | 55,872,656 | 315,268 | |
| Cash and cash equivalents at the beginning of the reporting period | | 96,423,258 | 96,107,990 | |
| Cash and cash equivalents at the end of the reporting period | | 152,295,914 | 96,423,258 | |
| <u>Net debt</u> | | | | |
| | At start of year | Cash flows | Other movements | At end of year |
| Cash and cash equivalents | 96,423,258 | 55,872,656 | - | 152,295,914 |
| Loan | (1,550,000) | 612,000 | 738,000 | (200,000) |
| Net debt | 94,873,258 | 56,484,656 | 738,000 | 152,095,914 |

The notes on pages 11 to 18 form part of these financial statements.

**THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2022**

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 2022

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 11 and 12 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

| | 2022 | 2021 |
|--|--------------------|-------------------|
| | £ | £ |
| Cash: | | |
| Donations received in year | 119,506,925 | 72,373,388 |
| Gift Aid reclaimable | 1,560,049 | 4,517,914 |
| Investments: | | |
| Transferred into Trust at Market Value | 19,105,003 | 10,212,383 |
| | <u>140,171,977</u> | <u>87,103,685</u> |

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

3 INVESTMENT INCOME

| | 2022 | 2021 |
|----------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Investment income | 2,058,270 | 1,231,089 |
| Interest on cash deposits | 164,316 | 2,413 |
| Interest on loan notes | - | 252,255 |
| Income cash currency gain/(loss) | 7,202 | 2,391 |
| | <u>2,229,788</u> | <u>1,488,148</u> |

4 CHARITABLE ACTIVITIES

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

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Grants made during the year | 45,335,450 | 58,183,436 |
| Support costs (see note 6) | 655,082 | 565,557 |
| Realised loss on lease of Warren Farm | 825,215 | - |
| | <u>46,815,747</u> | <u>58,748,993</u> |

The total comprised grants to the following:

| | | |
|--|--------------------------|--------------------------|
| The prevention or relief of poverty | 4,921,615 | 4,774,552 |
| The advancement of education | 6,336,483 | 13,695,443 |
| The advancement of religion | 401,943 | 487,760 |
| The advancement of health or the saving of lives | 6,398,245 | 10,141,625 |
| The advancement of citizenship or community development | 9,699,276 | 10,690,567 |
| The advancement of the arts, culture, heritage or science | 8,395,247 | 9,955,351 |
| The advancement of amateur sport | 381,320 | 450,057 |
| The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity | 385,791 | 131,321 |
| The advancement of environmental protection or improvement | 1,261,459 | 1,006,892 |
| The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage | 2,429,689 | 4,636,572 |
| The advancement of animal welfare | 377,750 | 318,594 |
| 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 | 76,120 | 124,820 |
| Any other charitable purpose | 4,270,512 | 1,769,882 |
| | <u>45,335,450</u> | <u>58,183,436</u> |

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

4 CHARITABLE ACTIVITIES (continued)

| | 2022 |
|---|-------------------|
| | £ |
| Institutional Donations of £250,000 and over | |
| Royal Academy of Arts | 5,014,000 |
| Prince's Trust | 3,143,758 |
| Centrepont Soho | 3,000,350 |
| UK Youth | 2,771,435 |
| Charities Aid Foundation | 1,764,619 |
| National Portrait Gallery | 1,500,607 |
| Shai Fund, Inc. | 1,200,763 |
| Duke of Edinburgh's Award | 970,000 |
| Substance Abuse Foundation | 904,270 |
| One Small Thing | 888,500 |
| Governors For Schools | 884,024 |
| Forward Trust | 773,672 |
| Strategic Resource Group Inc. | 700,000 |
| National Gallery Trust | 655,800 |
| The Branch Trust, Chipping Norton | 650,500 |
| Cancer Research UK | 644,465 |
| Woolf Institute | 500,000 |
| British Red Cross | 436,100 |
| Stanhill Foundation | 420,000 |
| Institute for Cancer Vaccines and Immunotherapy | 400,000 |
| Kindred Squared | 400,000 |
| Disasters Emergency Committee | 387,672 |
| Roundhouse Trust | 375,000 |
| ShelterBox | 356,000 |
| Stowe School Foundation | 355,000 |
| Barnardo's | 325,000 |
| Greenhouse Sports | 306,950 |
| Canine Partners For Independence | 300,000 |
| Kensington & Chelsea Foundation | 300,000 |
| Synchronicity Earth | 300,000 |
| The Big Give Trust | 266,500 |
| Boston Children's Hospital | 266,000 |
| Christian Aid | 250,450 |
| | 31,411,435 |

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

5 RELATED PARTY TRANSACTIONS

| | 2022 £ | 2021 £ |
|--|----------------------|----------------------|
| Donations received from a Director of the Trustee | 62,500 | 50,000 |
| Donations received from other charities where Messrs. Hoare Trustees is a Trustee: | | |
| The Golden Bottle Trust (Charity Commission no. 327026) | 20,000 | 41,000 |
| | <u>82,500</u> | <u>91,000</u> |

A S Hoare, a director of the trustee, is also the Chair of the Board of Directors of Snowball Impact Investments LP. At the year-end the Trust had an investment in Snowball Impact Investments LP worth £744,506 (2021: £516,768)

6 ANALYSIS OF SUPPORT COSTS

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|-----------|
| Bank charges | 783 | 757 |
| Cost of printing voucher books | 2,760 | 2,532 |
| Depreciation of tangible fixed asset | 2,525 | 2,525 |
| Legal fees | 12,404 | 26,123 |
| Administration | 38,349 | 28,360 |

GOVERNANCE COSTS

| | | |
|--|-----------------------|-----------------------|
| Trustee Administration Fee (including VAT) | 577,821 | 482,415 |
| Independent Auditor's Remuneration | 28,825 | 25,500 |
| (Over)/Under provision of previous years audit fee | (8,385) | (2,655) |
| | <u>655,082</u> | <u>565,557</u> |

INVESTMENT RELATED FEES

| | | |
|--------------------------------|-----------------------|-----------------------|
| Investment Management fees | 290,865 | 283,343 |
| Custody Fees | 45,500 | 8,334 |
| Enhance Investment Review Fees | 1,750 | 1,500 |
| | <u>338,115</u> | <u>293,177</u> |

7 REMUNERATION OF TRUSTEE

For the year ended 30th September 2022, the Trustee charged £572,361 (2021: £477,015) for their administrative fees in accordance with the power given to them by virtue of clause 28.3 of the Declaration of Trust. In addition, £5,460 (2021 : £5,400) was paid towards Trustees' due diligence fees. No out of pocket expenses were reimbursed by the Charity.

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

8 FIXED ASSET INVESTMENTS

| Movement in fixed asset investments | Listed | Unlisted | Total | |
|---|--------------------|----------------|--------------------|--------------------|
| | £ | £ | 2022 | 2021 |
| Investments | £ | £ | £ | £ |
| Market Value Brought Forward | 138,372,354 | 868,795 | 139,241,149 | 85,013,811 |
| Investments gifted in | 19,105,003 | - | 19,105,003 | 10,212,383 |
| Add: Acquisition costs | 105,928,880 | - | 105,928,880 | 59,315,162 |
| Less: Disposal proceeds | (82,625,597) | - | (82,625,597) | (41,630,514) |
| Realised (losses)/gains on disposals | (4,883,538) | - | (4,883,538) | 7,458,171 |
| Unrealised (losses)/gains | (16,029,449) | 80,894 | (15,948,555) | 18,872,136 |
| Market Value Carried Forward | 159,867,653 | 949,689 | 160,817,342 | 139,241,149 |
| Historical cost as at 30th September 2022 | 159,184,370 | 47,570 | 159,231,940 | 114,314,473 |

The market value of investments to 30th September 2022 includes an investment of unlisted shares in Beagle Bidco Limited, totalling £949,689 (2021: £868,795) that was acquired on the 9th December 2020.

9 PROGRAMME RELATED INVESTMENTS

| Movement in programme related investments | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Unlisted programme related investments | | |
| Value brought forward | 238,298 | 238,298 |
| Programme related investments Acquired: | | |
| Land at Warren Farm | 1,445,673 | - |
| Programme related investments Redeemed: | | |
| Mustard Seed Maze equalisation payment | (6,211) | (679) |
| 40,000 Adoption UK Charity 5% Fixed Rate Unsecured Loan Notes 2021 | (53,607) | - |
| 813 Herddle Group Limited | (50,039) | - |
| Land at Warren Farm leased to Surrey Wildlife Trust | (1,365,673) | - |
| Gain on investments | 19,757 | 679 |
| Value Carried Forward | 228,198 | 238,298 |
| Historical cost as at 30th September 2022 | 221,539 | 238,469 |

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

| Unlisted programme related investments held | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| 0 Adoption UK Charity 5% Fixed Rate Unsecured Loan Notes 2021 | - | 40,000 |
| 25,000 CW Renewable Energy EIS Fund | 25,000 | 25,000 |
| 1 EcoPower Indian Ocean Ltd | 23,165 | 23,165 |
| 0 Herddle Group Limited | - | 50,040 |
| 10,000 Mission Housing Limited 1.25% Loan 30/11/2024 | 10,623 | 10,623 |
| 50,000 Mustard Seed Maze Social Entrepreneurship Fund | 44,410 | 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 |
| Land retained at Warren Farm | 80,000 | - |
| | 228,198 | 238,298 |

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

10 TANGIBLE FIXED ASSETS

| | 2022 | |
|------------------------|---------------------|---------------|
| | Motor vehicles £ | Totals £ |
| Cost | | |
| At 1st October 2021 | 25,250 | 25,250 |
| Additions | - | - |
| Disposals | - | - |
| At 30th September 2022 | <u>25,250</u> | <u>25,250</u> |
| Depreciation | | |
| At 1st October 2021 | 7,575 | 7,575 |
| Charge for year | 2,525 | 2,525 |
| At 30th September 2022 | <u>10,100</u> | <u>10,100</u> |
| Net book value | | |
| At 30th September 2022 | <u>15,150</u> | <u>15,150</u> |
| At 30th September 2021 | <u>17,675</u> | <u>17,675</u> |

11 DEBTORS

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------------------|-------------------------|
| Cash due from donors | - | 400 |
| Gift Aid tax reclaim | 142,500 | 1,293,524 |
| Investment income/interest due | 7,396 | 66 |
| Recoverable tax on investment income | 997 | 64,612 |
| Donations to be repaid/to be received | - | 30,000 |
| Loan to Herddle Limited | - | 5,000 |
| Other Debtors and prepayments | 84,987 | 1,512,763 |
| | <u>235,880</u> | <u>2,906,365</u> |

12 CREDITORS

| | 2022 £ | 2021 £ |
|------------------------------------|-----------------------|-------------------------|
| Due within one year | | |
| Loan | 200,000 | 1,550,000 |
| Trustee Administration Fees | 164,206 | 357,216 |
| Independent Auditor's Remuneration | 29,340 | 48,555 |
| Investment Management Fees | 68,253 | 59,767 |
| Custody fees | 10,361 | 8,782 |
| Other creditors | 49,308 | 43,137 |
| | <u>521,468</u> | <u>2,067,457</u> |

The loan is repayable on demand and does not bear any interest.

13 FUND TRANSFERS

The Trustee made a transfer of £41,897 from the General Endowment Fund as well as a transfer of £43,734,996 from the Expendable Endowment Fund, totalling £43,776,893 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.

THE MASTER CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th SEPTEMBER 2022

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | -----Unrestricted Funds----- | | | |
|-------------------------------|--------------------------------------|----------------|---------------------------------|---------------------|
| | General Endowment Fund 2022 | Income 2022 | Expendable Endowment 2022 | Total Funds 2022 |
| | | £ | £ | £ |
| Fixed Assets | | | | |
| Listed Investments | 333,556 | - | 159,534,097 | 159,867,653 |
| Unlisted Investments | - | - | 949,689 | 949,689 |
| Programme Related Investments | - | - | 228,198 | 228,198 |
| Tangible fixed assets | - | - | 15,150 | 15,150 |
| Current Assets | | | | |
| Cash | 31,224 | 208,718 | 152,055,972 | 152,295,914 |
| Sundry Debtors | 425 | - | 235,455 | 235,880 |
| Creditors due within one year | (13,619) | - | (507,849) | (521,468) |
| Total | <u>351,586</u> | <u>208,718</u> | <u>312,510,712</u> | <u>313,071,016</u> |

| | -----Unrestricted Funds----- | | | |
|-------------------------------|--------------------------------------|----------------|---------------------------------|---------------------|
| | General Endowment Fund 2021 | Income 2021 | Expendable Endowment 2021 | Total Funds 2021 |
| | £ | £ | £ | £ |
| Fixed Assets | | | | |
| Listed Investments | 349,145 | - | 138,023,209 | 138,372,354 |
| Unlisted Investments | - | - | 868,795 | 868,795 |
| Programme Related Investments | - | - | 238,298 | 238,298 |
| Tangible fixed assets | - | - | 17,675 | 17,675 |
| Current Assets | | | | |
| Cash | 47,022 | 192,569 | 96,183,667 | 96,423,258 |
| Sundry Debtors | | - | 2,906,365 | 2,906,365 |
| Creditors due within one year | (1,539) | - | (2,065,918) | (2,067,457) |
| Total | <u>394,628</u> | <u>192,569</u> | <u>236,172,091</u> | <u>236,759,288</u> |

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

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Net operating income | 95,247,903 | 29,549,663 |
| Investment income | (2,229,788) | (1,488,148) |
| Investments gifted | (19,105,003) | (10,212,383) |
| Gains on Currency transactions | 1,876,161 | (443,080) |
| Depreciation | 2,525 | 2,525 |
| (Increase)/decrease in Debtors | 2,670,485 | (2,695,919) |
| Increase/(decrease) in Creditors | (195,989) | 248,431 |
| Net cash inflow from operating activities | <u>78,266,296</u> | <u>14,961,090</u> |