

Registered Charity Number: 214262

Registered Provider of Social Housing: A2246

THE MERCHANT TAYLORS' BOONE'S CHARITY

**CORPORATE TRUSTEE'S REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

31 DECEMBER 2020

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**TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Corporate Trustee submits its report and consolidated financial statements with Boone's Enterprises Limited for the year ended 31 December 2020. In this report and the financial statements, **the Charity and Boone's Enterprises Limited together are referred to as 'the Group'**.

The Trustee has considered the requirement in paragraph 1.4 of the 'Housing SORP 2018 update = Statement of Recommended Practice' for registered social housing providers, which requires those providers primarily acting as almshouses to follow the Charities SORP.

The Trustee considers that this is the situation of the Charity, and therefore the Trustee has adopted the provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – second edition and in accordance with the Charities Act 2011.

OBJECTIVES AND ACTIVITIES**Charitable Objects**

The objects of the Charity are the relief of poverty by the provision of almshouse accommodation for the beneficiaries, and such charitable purposes for the benefit of the residents as the Trustee decides. The beneficiaries are defined as follows:

1. Fifty percent must be people in need by reason of age, ill-health, disability, financial hardship or other disadvantage who are aged at least 57 and have lived in the London Borough of Lewisham and Greenwich for at least five years, with preference being given where relevant to residents of the Ancient Parish of Lee. (This is the beneficial class of the former Christopher Boone's Charity).
2. The other fifty percent are described similarly but without being restricted as to age or geographical origin (representing the former Merchant Taylors' beneficiaries).

In practice all residents are aged at least 57 because this age requirement is a term of the leasehold arrangements affecting Christopher Boone's Court as a whole.

Aims and Objectives

The Charity is committed to the Almshouse Association's objective of :

"providing independent living for needy people with a high standard of affordable housing in their community".

Strategy and Main Activities

The Trustee's strategy for achieving its aims and objectives is set out in the numbered, underlined headings below. The text under each of those headings explains the main activities carried out under that heading during 2020. To the extents required by the SORP, those activities are revisited briefly later in this report in the section 'Achievements and Performance'.

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1) Providing suitable housing and services for older people: Christopher Boone's Court:

The charity continues to provide accommodation to almshouse residents in 34 flats at Christopher Boone's Court, part of One Housing Group's "Christopher Boone's" complex. The charity sub-lets these flats from One Housing Group. The other flats in Christopher Boone's Court are for private sub-tenants of One Housing Group.

Vacancies are advertised on the listings website [housingcare.org](https://www.housingcare.org) which is searchable by the general public.

Other activities for the almshouse residents

Due to COVID-19, the Charity was only able to provide the following, in the period before the first lockdown of 2020:

- Attendance at the annual concert by boys from Merchant Taylors' School at Merchant Taylors' Hall,
- A dedicated programme of activities run at Christopher Boone's Court by the local charity *Age Exchange*.

The activities are provided to address potential social isolation.

2) Providing suitable housing for other categories of people

In addition to the accommodation for older people at Christopher Boone's Court, the Charity intends to provide accommodation for young people affected by homelessness, who are close to employability or worthwhile further study, but have not yet had the opportunity to demonstrate that they are capable of independent living. This is a long term project, the need for which was identified through research meetings during the year. The Charity has begun discussions with homelessness charities, with the aim of identifying a partner charity to manage the proposed new accommodation. See also 'Future Plans' later in this report.

3) Maximising income and providing a 'lifetime community':

A major source of income for the Charity has historically been the rent received from Mulberry House. Throughout 2020, this property continued to be tenanted by a care home operator, under the name 'Leah Lodge'. For the impact of COVID-19 on this income stream, see 'Financial Review' later in this report. The Charity's investment property at 2b Brandram Road remained let for residential use on an Assured Shorthold Tenancy.

Use of Leah Lodge as a care home is in line with the Trustee's vision of a 'lifetime community' within the same small area of Lewisham. Christopher Boone's Court is built to a 'care ready' standard. Potentially, almshouse residents would be able to move just down the road into Leah Lodge if care home accommodation became required.

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4) Financial planning for the long term future of the Christopher Boone's site:

The duration of the Charity's investment leases is deliberately staggered so as to provide capital receipts at appropriate points over the next 125 years. These receipts will provide a sinking fund for the ultimate redevelopment of the Christopher Boone's site in 125 years' time.

Public Benefit

The Trustee confirms that it has complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The Trustee considers that its Objects allow it to provide accommodation to a sufficiently broad section of the general public. Most application queries come via the Housing Care website, a publicly searchable listings site for accommodation suitable for elderly people.

ACHIEVEMENTS AND PERFORMANCE**Performance against strategy**

At the end of the year, none of the almshouse flats were vacant and the Trustee was pleased with this level of occupancy.

Residents received an appropriate service during the year and, to the extent compatible with COVID-19 restrictions, a variety of social opportunities at no cost to themselves.

The Charity maintained its listing for its flats at Christopher Boone's Court on housingcare.org.

The Charity took all appropriate and proportionate measures to reduce the risk, from factors within the Charity's control, of introducing Covid-19 into CBC. This included:

- following current Government guidance that all staff who can work from home, should work from home
- cancelling the weekly group activity facilitated by Age Exchange.

Investment performance

The listed investment income was £159,563 (2019: £183,745). There was a total return of 1.1% on the Merchant Taylors' Almshouse Charity fund. The fund is benchmarked against a composite index of growth-oriented funds, which achieved a total return of 0.5%.

The fund's primary objective is to achieve RPI + 3.5% per annum over an investment cycle.

Rents receivable from investment properties were £952,384 (2019: £878,733). (See Financial Review for further detail).

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Overall the Group operated at a surplus before gains on investments of £1,177,451 (2019: £3,729,647).

The rents receivable from the Charity's investment properties in the year amounted to £952,384 (2019: £878,733). However, the tenant of Leah Lodge exercised its right under the Coronavirus Act to defer rent payments, so cashflow from this source was heavily reduced during the period. This continues to be the position at the time of writing, while the Coronavirus Act remains in force.

The Group received other income of £1,000,010 (2019: £3,406,739), relating to creation of a long lease of the old Merchant Taylors' Almshouses site in Brandram Road.

Value for Money metrics – Registered Provider of Social Housing status

The Charity is a Registered Provider of Social Housing (no. A2246) ('RP'). In 2018, the Regulator of Social Housing introduced a new Value for Money Standard. This required RPs to publish performance against a series of metrics ('VfM metrics') to measure economy, efficiency and effectiveness. Under a new Direction published on 19 February 2019, the Regulator provided that all Almshouse Charities which are RPs must report their performance against seven mandatory metrics in their annual accounts.

The VfM metrics require RPs to use specific formulae to calculate their performance, for ease of comparison between RPs.

The Regulators' technical guidance note of June 2020 states: *"We have selected the metrics that work for the majority of providers. However, we acknowledge that any metric, however calculated, will inevitably be more appropriate for some providers than others, and there may be a minority of cases where reporting on a particular basis is difficult, or inappropriate, given the unusual nature of a given organisation's business"*.

The majority of RPs are large housing associations with thousands of dwellings. The Corporate Trustee considers that, due to the nature and scale of its almshouses operation, the VfM metrics are less useful than for a typical RP. The Trustee will monitor any future advice from the Almshouse Association or the Regulator itself on the VfM metrics and almshouse RPs.

- **Metric 1: Reinvestment:** Investment in housing supply during 2020 as a percentage of total housing property held as at 31 December 2020 – 0% (2019: 0%). Comment: This reflects the fact that (a) the Charity's accommodation is newly built (the flats at Christopher Boone's Court), therefore not requiring significant works, and (b) that those flats represent the Charity's major new provision of accommodation in recent years which is why no new properties have been built in 2020.
- **Metric 2: New Housing Supply:** New social housing delivered during 2020 as a percentage of housing stock held as at 31 December 2020 – 0% (2019: 5.88%). This reflects the fact that the Charity's accommodation at Christopher Boone's Court represents its major new provision of accommodation in recent years which is why no new properties have been built

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in 2020.

- **Metric 3: Gearing:** Proportion of borrowing in relation to housing assets as at 31 December 2020: - 0% (2019: 0%), because the Charity has no short or long term borrowing and its activities are not dependent on debt finance.
- **Metric 4: EBITDA MRI:** Earnings before interest, tax, depreciation and amortisation, major repairs included; divided by interest payable, for 2020. The metric anticipates that the Charity will express this as a percentage, in order to show the surplus generated by the Charity compared to interest payable. However, the metric is not applicable because the Charity has no short or long term borrowing and therefore there is no interest payable.
- **Metric 5: Headline Social Housing Cost Per Unit:** £10,889 per almshouse dwelling (2019: £11,621). This analyses items such as management costs plus costs of maintenance and various other factors, per almshouse dwelling. The Charity's cost per unit is relatively high compared to major Registered Providers achieving economies of scale across very large numbers of dwellings. However, it is in line with other almshouse Registered Providers in London who provide broadly comparable numbers of dwellings.
- **Metric 6: Operating Margins**
 - OM (Social Housing Lettings only): Operating surplus on social housing lettings (ie, almshouse flats), divided by turnover from such lettings during 2020: 0.23% (2019: operating deficit 20.75%). This measures the profit margin/financial efficiency of providing the almshouse accommodation, if focussing purely on operating costs versus accommodation charges received by the Charity.
 - OM (Overall): Operating surplus plus gains on disposal of fixed assets (housing properties), divided by overall turnover during 2020 -47.30% (2019: 76.99%)
- **Metric 7: Return on Capital Employed** – Operating surplus compared to total assets less current liabilities, as at 31 December 2020 – 2.67% (2019: 8.77%)

Investment Policy

The Trustee's policy is that capital growth is the priority. This is because the Charity has a significant income stream from investment property.

There are no formal negative screens on the investment portfolio. However, the portfolio is managed in accordance with the Environmental, Social and Governance screens which the investment manager adheres to when investing client funds.

The Merchant Taylors' Almshouse Charity fund is managed on a discretionary basis. It is a fund suitable for investors with a relatively high risk tolerance, and the capacity to suffer a temporary or permanent capital loss.

The benchmark for the fund is explained earlier in this report.

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Risk management

The Charity has in place a comprehensive Health and Safety Policy, and pays active attention to compliance with all relevant statutory requirements.

The Trustee regularly reviews the Risk Register, which details the present status of those operational risks which might diminish the Charity's effectiveness, and the measures in place to mitigate them. The key risks to which the Charity is exposed are:

(1) ***The impact of COVID-19 on residents and occupancy rates.*** The residents of Christopher Boone's Court are predominantly elderly, and the Charity is taking all appropriate and proportionate measures to reduce the risk, from factors within the Charity's control, of introducing Covid-19 into CBC. At the time of writing, this includes following current Government guidance that all staff who can work from home, should work from home, which reduces the risk of asymptomatic carriers coming to Christopher Boone's Court.

(2) ***The impact of COVID-19 on rental income from Leah Lodge.*** COVID-19 presents a cashflow risk, whether from the Coronavirus Act permitting tenants to defer rental payments, or from the tenant's business failing. The Trustee monitors the situation closely, and at the time of writing is taking steps to protect its position in relation to a parent company guarantee, and evaluating information from the tenant about its business forecast for the property as lockdown restrictions are lifted.

(3) ***The value of, and yield from, investments.*** Investments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's investment committee.

(4) ***Safeguarding.*** All staff working with almshouse residents are DBS checked and have undergone safeguarding training, and the charity has a safeguarding policy.

(5) ***The risk of unduly protracted litigation,*** should it become necessary to seek a possession order for a flat if for example a beneficiary became incapable of independent living or abusive. The risk is inherent in almshouse beneficiaries occupying on the niche legal status of an almshouse beneficiary licence. This status is unfamiliar to County Court judges, which can cause protracted proceedings. To mitigate this risk, the Charity's staff explain the legal status very carefully to all applicants before deciding whether to offer them accommodation, make clear to them that it does not provide legal security of tenure, and require them to sign an acknowledgement that they have been given the explanation. The aim is to be able to evidence clearly to a Court that the person understood the significance of almshouse beneficiary status before deciding whether to accept the accommodation.

The Trustee takes its responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and has considered the implications, bearing in mind that the Charity conducts no fundraising activities. The Charity is a charitable trust supported by The Merchant Taylors' Company. It does not carry out any fundraising activity in order to raise funds from the general public. It does not work directly with commercial sponsors or engage professional fundraisers. There were no complaints made in respect of fundraising during the year, because there was no fundraising.

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Financial Reserves

The Trustee's policy is to maintain £600,000 in liquid funds freely available for spending on any of the Charity's purposes (ie, in unrestricted and undesignated funds), as being roughly equivalent to one year's total expenditure by the Charity. At year-end the Charity held £5,163,731 (2019: £7,397,495) of which £662,542 (2019: £1,328,767) was cash. The Charity has designated £3,500,000 (2019: £nil) for potential use in future housing projects. The remaining funds totalling £35,490,155 (2019: £35,259,780) are endowment funds.

The context for the Trustee's reserves policy is that:

- the cost of maintaining the Charity's properties and of administration is met largely from property rental income and to a lesser extent portfolio investment income
- the greatest financial risk is of the loss of property rental income, particularly from Mulberry Court/Leah Lodge, although until 2022 that is mitigated by a parent company guarantee of the rent
- the financial impact of a scenario where accommodation charges income from almshouse residents drops sharply, due to multiple vacancies being hard to fill during COVID-19, is mitigated by the Charity's ability to sell its investment properties as a last resort.

FUTURE PLANS

During 2021, the Charity hopes to appoint a partner charity for its proposed new youth housing project, progressing to a planning application in 2022.

As the government relaxes COVID-19 restrictions, the Charity will resume a normal level of social activities for the residents, to the extent prudent and compatible with the use of Merchant Taylors' Hall for certain events.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

The Charity is governed by a Charity Commission Scheme dated 31st December 2010, as amended 1st August 2013.

Registered Provider of Social Housing

The Charity is a Registered Provider of Social Housing (no. A2246).

Appointment of Trustee

The (Corporate) Trustee is appointed by the governing document. The Directors of the Trustee are appointed by its Corporate Member, the Merchant Taylors' Company.

Induction and training of Board members

Directors of the Trustee are offered at least one opportunity each year to receive training from the Charity's legal and accountancy advisers, either on a dedicated training day or by joining sessions offered generally by those advisers to their clients. The latter have tended to be favoured as they offer

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FOR THE YEAR ENDED 31 DECEMBER 2020**

a range of different perspectives on the matters in question and the opportunity to share insights and establish useful contacts in the wider sector. They are also offered the opportunity to attend sessions run by the Almshouse Association.

The Trustee has access to the governing document of the Charity as well as its own Memorandum and Articles, previous minutes, plans, and other documentation, and to Almshouse Association and Charity Commission guidance. It is also supported by well-qualified and experienced staff based at Merchant Taylors' Hall.

Decision-making and delegation

The Trustee is supported in its decision-making by a wider 'Housing and Care Committee' drawn from the membership of the Merchant Taylors' Company.

The directors of the Trustee ('the Directors') are a subset of the Housing and Care Committee.

Meetings are usually held as joint meetings of on the one hand the Directors, and on the other the Housing and Care Committee.

The agenda and minutes flag very clearly that:

- the one meeting incorporates two groups
- items to do with strategy, finance, etc are for decision by the Directors only, and the other members of the Housing and Care Committee are purely in attendance at those points.

The agenda flags the individual items reserved to the Directors as 'Trustee -only item' or 'For decision by the Trustee only'.

The decisions taken by the whole Committee, and minuted as such, are those which go (broadly) to pastoral matters relating to the almshouse residents.

At the start of each meeting, the Chairman asks everyone to declare any personal interest which might directly or indirectly cause them a conflict. If a Director does declare an interest, they do not participate in any Trustee-only decision where that interest is relevant nor do they count towards the quorum of Directors of the Trustee at the time of taking such decision. The same principles are applied to 'pure Committee' decisions in relation to all members of the Committee.

Management Personnel, including Remuneration

The Charity does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

For the purposes of the Charities SORP, the Trustee considers the Clerk of the Merchant Taylors' Company (Rear Admiral J R H Clink CBE) as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis.

All the Directors of the Trustee give of their time freely and no remuneration was paid to the Trustee or any of its Directors in the year. Details of the Trustee's expenses and related party transactions are disclosed in note 4 to the accounts. The Directors of the Trustee are required to disclose all relevant

**TRUSTEE'S REPORT
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interests and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

The Clerk is employed by Bradestrete Services Limited. The Clerk's remuneration is reviewed annually by the Remuneration Committee of the Merchant Taylors' Company in the light of his responsibilities for all aspects of the Company's operations, not just Bradestrete Services Limited's management of the Charity and other charities. The Clerk's remuneration is a minor factor in setting the level of management charges by Bradestrete Services Limited to the Charity, so increases in the Clerk's remuneration have only a small impact on the level of those charges.

Related Parties

The Directors of the Trustee are all members of the Merchant Taylors' Company, which administers the Charity through its subsidiary Bradestrete Services Limited.

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of the Charity. ***Boone's Enterprises Limited*** is a subsidiary of the charity whose shares are held as nominee by the Corporate Trustee.

The Merchant Taylors' and Christopher Boone's Almshouses Charity: The only activity since incorporation has been acting, since 1st January 2011 and in accordance with a Charity Commission Scheme dated 31st December 2010, as the Corporate Trustee of the Charity. This entity is the Trustee of the Charity, and is itself both a registered charity and a company limited by guarantee.

Merchant Taylors' 1413 Charity: The only activity since registration on 30th January 2014 has been acceptance of the freehold transfer of the Christopher Boone's and the Merchant Taylors' Almshouse sites and the Blessington Close garages, and granting of a 150 year leasehold interest back to the Charity, in order to facilitate the almshouse redevelopment project which resulted in Christopher Boone's Court.

The Merchant Taylors' Boone's Charity**TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	The Merchant Taylors' Boone's Charity
REGISTERED CHARITY NUMBER:	214262 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street, London, EC2R 8JB
TRUSTEE:	The Merchant Taylors' and Christopher Boone's Almshouses Charity
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62-62 Threadneedle Street, London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus, London, EC2M 7AZ
INDEPENDENT AUDITORS:	Saffery Champness LLP 71 Queen Victoria Street, London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

THE MERCHANT TAYLORS' AND CHRISTOPHER BOONE'S ALMSHOUSES CHARITY (The Trustee)

REGISTERED CHARITY NUMBER:	1138621
COMPANY REGISTRATION NUMBER:	07416732
CHIEF EXECUTIVE:	Rear Admiral J R H Clink CBE
DIRECTORS:	Mrs A S Bull (appointed 14 July 2020) Mr C Nicholson Mr C Keville Mr P Magill (Chairman)

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BOONE'S ENTERPRISES LIMITED

REGISTERED COMPANY NUMBER:	08720309
SHAREHOLDER:	The Merchant Taylors' and Christopher Boone's Almshouses Charity
DIRECTORS:	Mr D Eggar The Merchant Taylors' and Christopher Boone's Almshouses Charity

**TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the Charity so as to enable it to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations. 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.

The Report of the Trustee was approved by the Trustee on 6/30/2021
and signed on its behalf:

DocuSigned by:

79266BD98C1847D...

Director of the Trustee (If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing):

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
FOR THE YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the financial statements of The Merchant Taylors' Boone's Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2020 and of the group's and the parent charity's 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 the financial statements section of our report. We are independent of the group and parent 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.

Emphasis of matter - property valuations

The charity carries its investment properties at fair value. The charity has valued its properties at £24,298,318 at the balance sheet date, 31 December 2020 (2019: £21,869,583). As disclosed in note 8 to the financial statements, because of the impact of COVID-19, the valuer has expressed a material valuation uncertainty in accordance with RICS Valuation - Global Standards. Our opinion is not modified in this respect.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's 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 group or the parent 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 Trustee with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
FOR THE YEAR ENDED 31 DECEMBER 2020**

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of the Trustee's Responsibilities set out on page 13, 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 group and the parent 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 group or the parent charity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with the Trustee, and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales and the Accounts Direction for Social Housing (so far as it applies to this entity).

Further, the parent charity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or restrictions on the group's operations. We identified the most significant of such laws and regulations to be those issued by The Regulator of Social Housing.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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


**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
FOR THE YEAR ENDED 31 DECEMBER 2020**

involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity 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 anyone other than the parent charity and the parent charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Saffery Champness LLP
Chartered Accountants

71 Queen Victoria Street
London

Statutory Auditors

EC4V 4BE

Date: 30/06/2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

*The Merchant Taylors' Boone's Charity***CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Fund £	Unrestricted Designated Fund £	Endowment Fund £	Total 2020 £	Total 2019 £
Income and endowments from						
Charitable activities:						
Other Income (Leah Lodge)		-	-	-	-	43,272
Charitable activities						
- Merchant Taylors' Almshouses	2	-	-	-	-	39,675
- Christopher Boones Court	2	371,087	-	-	371,087	287,571
Investments	5	1,116,349	-	-	1,116,349	1,067,359
Other Income	20	1,000,010	-	-	1,000,010	3,406,739
Total income and endowments		2,487,446	-	-	2,487,446	4,844,616
Expenditure on:						
Raising funds						
Investment management costs		-	-	31,197	31,197	19,505
Investment property costs		902,218	-	-	902,218	553,793
		902,218	-	31,197	933,415	573,298
Charitable activities						
Accommodation provision for the elderly	6	144,413	-	-	144,413	286,589
Support costs	3&6	174,579	-	57,588	232,167	255,082
		318,992	-	57,588	376,580	541,671
Total expenditure		1,221,210	-	88,785	1,309,995	1,114,969
Income less expenditure		1,266,236	-	(88,785)	1,177,451	3,729,647
Net gains on investments						
Realised & unrealised						
Other	9	-	-	463,771	463,771	561,141
Property	7&8	-	-	(144,611)	(144,611)	(35,146)
		-	-	319,160	319,160	525,995
Net income		1,266,236	-	230,375	1,496,611	4,255,642
Transfer between funds	12	(3,500,000)	3,500,000	-	-	-
Net movement in funds		(2,233,764)	3,500,000	230,375	1,496,611	4,255,642
Fund balances brought forward at 1 January 2020		7,397,495	-	35,259,780	42,657,275	38,401,633
Fund balances carried forward 31 December 2020	14	5,163,731	3,500,000	35,490,155	44,153,886	42,657,275

The accounting policies and notes on pages 23 to 37 form part of these financial statements.

All results relate to continuing activities.

*The Merchant Taylors' Boone's Charity***CHARITY ONLY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Fund £	Unrestricted Designated Fund £	Endowment Fund £	Total 2020 £	Total 2019 £
Income and endowments from						
Charitable activities:						
Other Income		-	-	-	-	43,272
Charitable activities						
- Merchant Taylors' Almshouses	2	-	-	-	-	39,675
- Christopher Boones Court	2	371,087			371,087	287,571
Investments	5	1,116,349	-	-	1,116,349	1,067,359
Other Income	20	1,577,197			1,577,197	2,310,245
Total income and endowments		3,064,633	-	-	3,064,633	3,748,122
Expenditure on:						
Raising funds						
Investment management costs		-	-	31,197	31,197	19,505
Investment property costs		418,258	-	-	418,258	518,446
		418,258	-	31,197	449,455	537,951
Charitable activities						
Accommodation provision for the elderly	6	144,413	-	-	144,413	286,589
Support costs	3&6	174,579	-	57,588	232,167	255,082
		318,992	-	57,588	376,580	541,671
Total expenditure		737,250	-	88,785	826,035	1,079,622
Income less expenditure		2,327,383	-	(88,785)	2,238,598	2,668,500
Net gains on investments						
Realised & unrealised gains						
Other	9	-	-	463,771	463,771	561,141
Property	7&8	-	-	(144,611)	(144,611)	(35,146)
		-	-	319,160	319,160	525,995
Net income		2,327,383	-	230,375	2,557,758	3,194,495
Transfer between funds		(3,500,000)	3,500,000	-	-	-
Net movement in funds		(1,172,617)	3,500,000	230,375	2,557,758	3,194,495
Fund balances brought forward at 1 January 2020		6,336,348	-	35,259,780	41,596,128	38,401,633
Fund balances carried forward 31 December 2020	14	5,163,731	3,500,000	35,490,155	44,153,886	41,596,128


The accounting policies and notes on pages 23 to 37 form part of these financial statements.

All results relate to continuing activities.

The Merchant Taylors' Boone's Charity**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	£	2020	£	£	2019	£
Tangible Fixed assets							
Leasehold property	7			9,112,680			9,699,446
Investments							
Property investment	8			24,298,318			21,869,583
Other	9			9,236,411			5,139,956
				<u>42,647,409</u>			<u>36,708,985</u>
Current assets							
Land held as stock			-			475,000	
Debtors	10	1,187,199				4,428,100	
Cash at bank and in hand		662,542				1,328,767	
Client Deposit Account		-				16,751	
				<u>1,849,741</u>		<u>6,248,618</u>	
Creditors: amounts falling due within one year	11	343,264				300,328	
						<u>300,328</u>	
Net current assets				<u>1,506,477</u>			<u>5,948,290</u>
				<u>44,153,886</u>			<u>42,657,275</u>
Funds							
Endowment	12			35,490,155			35,259,780
Unrestricted	13			5,163,731			7,397,495
Unrestricted designated	13			3,500,000			-
	14			<u>44,153,886</u>			<u>42,657,275</u>

These financial statements were approved by the Corporate Trustee on 6/30/2021

DocuSigned by:

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 Director of the Trustee

Name: Clive Nicholson

The accounting policies and notes on pages 23 to 37 form part of these financial statements.

The Merchant Taylors' Boone's Charity**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	£	2020	£	£	2019	£
Tangible Fixed assets							
Leasehold property	7		9,112,680			9,699,446	
Investments							
Property investment	8		24,298,318			21,869,583	
Other	9		9,286,411			5,189,956	
			<u>42,697,409</u>			<u>36,758,985</u>	
Current assets							
Debtors	10	1,187,199			3,836,953		
Cash at bank and in hand		662,542			1,328,767		
Client Deposit Account		-			16,751		
		<u>1,849,741</u>			<u>5,182,471</u>		
Creditors: amounts falling due within one year	11	393,264			345,328		
					<u>345,328</u>		
Net current assets			1,456,477			4,837,143	
			<u>44,153,886</u>			<u>41,596,128</u>	
Funds							
Endowment	12		35,490,155			35,259,780	
Unrestricted			5,163,731			6,336,348	
Unrestricted designated	13		3,500,000			-	
	14		<u>44,153,886</u>			<u>41,596,128</u>	

These financial statements were approved by the Corporate Trustee on 6/30/2021

DocuSigned by:

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Director of the Trustee
 Name: Clive Nicholson

The accounting policies and notes on pages 23 to 37 form part of these financial statements.

*The Merchant Taylors' Boone's Charity***CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020		2019	
	£	£	£	£
Cash flows from operating activities:				
Net cash provided by operating activities		3,999,989		1,143,296
Cash flows from investing activities:				
Proceeds from sale of investments	740,395		711,377	
Purchase of property	(2,044,167)		(650,000)	
Purchase of investments	(3,379,192)		(876,318)	
Net cash used in investing activities:		(4,682,964)		(814,941)
Change in cash and cash equivalents in the reporting period		(682,975)		328,355
Cash and cash equivalents at the beginning of the reporting period		1,345,517		1,017,162
Cash and cash equivalents at the end of the reporting period		662,542		1,345,517
Reconciliation of net income/(expenditure) to net cash flow from operating activities:				
Net income for the reporting period (as per the statement of financial activities)		1,496,611		4,255,642
Adjustments for:				
Depreciation		57,586		2,947
(Gains) on investments		(319,160)		(525,995)
(Increase) in investment cash		(993,887)		-
Decrease/(Increase) in stocks		475,000		(475,000)
Decrease/(Increase) in debtors		3,240,901		(2,168,200)
Increase in creditors		42,936		53,902
		3,999,989		1,143,296

The Merchant Taylors' Boone's Charity

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition) (Charities SORP (FRS 102)) and the Charities Act 2011.

1.1 Accounting convention

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 £.

The financial statements have been prepared on an accruals basis under the historic cost convention, with the exception of investments which are stated at market value.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements reflect the income and expenditure of the Charity for the year ended 31 December 2020. The results of the Trading subsidiary has been consolidated on a line by line basis for the 12 month period ending on 31 December 2020, the period for which its own accounts are prepared as detailed in note 9.

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

1.2 Going concern

At the time of approving the financial statements, the Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustee continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and endowments

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are included in full in the statement of financial activities when receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The Merchant Taylors' Boone's Charity**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.3 Income and endowments (continued)

Income from charitable activities is accounted for when earned.

Income from investments is included when receivable.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds comprises those costs directly attributable to managing the investment portfolio and raising investment income.

Expenditure on charitable activities includes those costs incurred by the Charity in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of support and governance costs

Support costs have been allocated between the governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs related to independent auditor fees and legal fees together with an apportionment of overhead and support costs.

1.5 Tangible fixed assets

Almshouse properties are included on the balance sheet at cost and depreciated over the remaining length of the lease.

Other fixed assets are only capitalised when they have a value of more than £500 and are expected to have ongoing value in use to the charity.

1.6 Investment Properties

Freehold investment properties are included in the balance sheet at their open market value. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities. Depreciation is not provided in respect of these holdings of freehold land and buildings.

The Merchant Taylors' Boone's Charity

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises land and associated acquisition costs that have been incurred in bringing stock to its present location and condition. Net realisable value was assessed by estimating selling prices and cost (including sales and marketing expenses), taking into account current market conditions.

1.8 Fixed asset investments

Investments are stated at market value at the balance sheet date. Net gains and losses arising on revaluation and disposals throughout the year are taken to the Statement of Financial Activities.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Unrestricted funds

The unrestricted funds represent funds which may be spent on any of the purposes of the Charity. Designated funds are unrestricted funds that have been set aside by the Trustees for a specific purpose.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Charity's Balance Sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

All financial assets are basic unless separately listed.

1.12 Taxation

The Charity is a registered Charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

*The Merchant Taylors' Boone's Charity***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 Particulars of income and expenditure from almshouse lettings**

Group and Charity	2020 £	2019 £
Income		
Residents' maintenance contributions and charges	371,087	356,454
Void losses	-	(29,208)
	<u>371,087</u>	<u>327,246</u>
Expenditure		
Staff costs	23,344	36,746
Management	80,635	132,067
Routine maintenance	1,666	17,550
Cyclical maintenance	-	2,094
Extraordinary repairs expenditure	-	60,401
Premises costs	94,247	93,847
Other costs	176,688	198,966
	<u>376,580</u>	<u>541,671</u>
Operating loss	<u>(5,493)</u>	<u>(214,425)</u>

The majority of other costs represent professional and other fees arising from the almshouse development.

3 Support costs

Group and Charity	2020 £	2019 £
Management fees	80,635	132,067
Leasehold depreciation	57,588	2,947
Insurance	352	352
Bank charges	130	41
Governance costs:		
Auditors remuneration		
- Statutory report - current year	19,240	10,550
- Statutory report - prior year	4,200	5,170
Professional fees	70,022	103,955
	<u>232,167</u>	<u>255,082</u>

Almshouse management fees relate to the provision of administrative support services to the Trust by Bradestrete Services Limited, a wholly owned subsidiary of Merchant Taylors' Company, in connection with the operation and implementation of the objectives of Merchant Taylors' Boone's Charity, the management of the Charity's assets and compliance with constitutional and statutory requirements.

The Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****3 Support costs (continued)**

Staff costs included in the Almshouse management represents the Charity's share of the employment costs of staff who are jointly used by the Merchant Taylors' Company and its charities. The payroll is administered by Bradestrete Services Limited and the appropriate proportion of the employment costs of the relevant employees is recharged to the Charity. Note 4 (Employee and staff costs) relates to the cost of the single Bradestrete Services Limited employee whose duties are confined exclusively to the Charity, as opposed to spread across various different charities for which the Merchant Taylors' Company provides the Trustees.

4 Employee and staff costs

Group and Charity	2020 £	2019 £
Wages and salaries	20,383	31,550
National Insurance	1,718	2,587
Pension payments	1,243	2,609
	<u>23,344</u>	<u>36,746</u>

Average number of UK contracted employees throughout the year, calculated on full time equivalent basis, was:

Almshouses services	<u>1</u>	<u>1</u>
---------------------	----------	----------

The Directors of the Trustee received no remuneration (2019: £nil) and were not reimbursed for any of their expenses in the year (2019: £nil).

The Trustee considers the key management personnel to be Rear Admiral J Clink CBE, who is employed by Bradestrete Services Limited which recharges the charity for services as per note 16.

5 Investments

Group and Charity	2020 £	2019 £
Rents receivable from investment properties	952,384	878,733
Income from listed investments	159,563	183,745
Deposit interest receivable	4,402	4,881
	<u>1,116,349</u>	<u>1,067,359</u>

*The Merchant Taylors' Boone's Charity***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****6 Analysis of expenditure on charitable activities**

Group and charity

Activity	Activities Undertaken Directly £	Support Cost £	2020 £
Provision of accommodation for the elderly	144,413	232,167	376,580
Total	144,413	232,167	376,580

Activity	Activities Undertaken Directly £	Support Cost £	2019 £
Provision of accommodation for the elderly	286,589	255,082	541,671
Total	286,589	255,082	541,671

The basis for the allocation of these support costs has been determined by the Trustee of the Charity to be based on the time spent on each activity.

7 Leasehold property

Group and charity

The charity owns its almshouse units under a leasehold arrangement, entered into in 2014, as part of a plan to redevelop the site. Possession of the completed units was taken in December 2019. The Trustees have reviewed the classification of the site owned by the charity at Blessington Close. They consider that the property meets the definition of an investment property. It has therefore been reclassified from tangible fixed assets to investment property in these accounts, and revalued at 31 December 2020 together with the remainder of the Charity's investment property portfolio.

	Value of Blessington Close £	Cost of Almshouse units £	Total leasehold property £
Cost or valuation			
At 1 January 2020	529,181	9,185,000	9,714,181
Transfer to investment property	(529,181)	-	(529,181)
At 31 December 2020	-	9,185,000	9,185,000
Depreciation			
At 1 January 2020	14,735	-	14,735
Eliminated on transfer	(14,735)	-	(14,735)
Charge for the year	-	72,320	72,320
At 31 December 2020	-	72,320	72,320
Net book value at 31 December 2020	-	9,112,680	9,112,680
Net book value at 31 December 2019	514,446	9,185,000	9,699,446

The number of units of accommodation under management at the end of the year was:

	2020 £	2019 £
Affordable Housing	34	34

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****8 Property investment**

Group and charity	2020 £	2019 £
Valuation at 1 January 2020	21,869,583	21,916,906
Additions	2,044,167	-
Transfer from leasehold property (note 7)	529,181	
Revaluation to market value	(144,613)	(47,323)
Valuation at 31 December 2020	24,298,318	21,869,583

Investment properties were valued at 31 December 2020 by Nigel Gammon, a member of the Royal Institute of Chartered Surveyors employed by the Merchant Taylors' group on the basis of market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors. At the valuation date the Charity continued to face an unprecedented set of circumstances caused by COVID-19. Due to this the valuation is reported as being subject to 'material valuation uncertainty' as set out in the RICS Valuation - Global Standards. Consequently, in respect of the valuation, less certainty and a higher degree of caution should be attached to this valuation than would normally be the case. This does not mean that the valuation cannot be relied upon.

The freehold property investments have been owned by the Charity since 1683 and there are no available records of their historical cost.

9 Fixed asset investments**Listed investments**

Group and charity	2020 £	2019 £
Funds managed in the UK		
Market value 1 January 2020	5,139,956	4,413,875
Additions	3,379,192	876,318
Disposals	(740,395)	(711,378)
Movement in cash	993,887	-
Net realised/unrealised investment gains	463,771	561,141
Market value 31 December 2020	9,236,411	5,139,956

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9 Fixed asset investments**

	2020	2019
	£	£
Investment in subsidiary - charity only		
Boone's Enterprises Limited	50,000	50,000

The corporate trustee holds 100% of the share capital of Boone's Enterprises Limited (BEL) as nominee for Merchant Taylors' Boone's Charity.

BEL was dormant in 2018 and previous years.

During the year ended 31 December 2020 BEL had income of £1,000,010 (2019:£1,096,494) and expenditure of £983,960 (2019: £35,347). £1,077,197 (2019: £Nil) was distributed to the parent entity from reserves. Reserves at 31 December 2020 were £50,000 (2019: £1,111,147).

10 Debtors

	2020	2019
	£	£
Group		
Rent receivable and almshouse debtors	504,439	215,823
Prepayments and accrued income	102,699	12,000
Redevelopment debtors	-	3,701,169
Other debtors	580,061	499,108
	<u>1,187,199</u>	<u>4,428,100</u>
Charity	£	£
Rent receivable and almshouse debtors	504,439	215,823
Prepayments and accrued income	102,699	12,000
Redevelopment debtors	-	3,110,022
Other debtors	580,061	499,108
	<u>1,187,199</u>	<u>3,836,953</u>

FRS102 requires lessors to spread rent-free periods over the length of the lease. A rent-free period was given in respect of Leah Lodge and as a result a debtor of £469,578 is recognised in the accounts in order to accrue for the income that would have been receivable in the rent-free period. This amount is included in Other Debtors.

	£	£
Merchant Taylors' Company	19,811	7,538
MT 1413 Charity	86,667	1,230

*The Merchant Taylors' Boone's Charity***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11 Creditors**

	2020	2019
	£	£
Group		
Almshouse creditors	36,693	16,423
Accruals and deferred income	293,067	221,152
Other creditors	13,504	46,002
Client Deposit Account	-	16,751
	<u>343,264</u>	<u>300,328</u>
Charity	£	£
Almshouse creditors	36,693	16,423
Accruals and deferred income	288,067	216,152
Other creditors	68,504	96,002
Client Deposit Account	-	16,751
	<u>393,264</u>	<u>345,328</u>

Other creditors includes the following balances with connected parties:

	£	£
Bradestrete Services Ltd	13,504	1,207
Boone's Enterprises Limited (inc. unpaid share capital)	55,000	50,000
Merchant Taylors' Catering Ltd	-	82
Groundmere Limited	-	1,298
Consolidated Charities for the Infirm	-	43,415
	<u></u>	<u></u>

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****12 Endowment fund**

Group and Charity

	Balance 1 Jan 2020 £	Total Expenditure £	Transfers between funds £	Realised/ unrealised gains £	Balance 31 Dec 2020 £
Permanent endowment	197,543	-	-	-	197,543
Tangible fixed assets	9,185,000	(72,320)	-	-	9,112,680
Investments					
- property	21,815,437	14,732	2,612,760	(144,611)	24,298,318
- other	4,061,800	(31,197)	(2,612,760)	463,771	1,881,614
					-
	<u>35,259,780</u>	<u>(88,785)</u>	<u>-</u>	<u>319,160</u>	<u>35,490,155</u>

Permanent endowment - on registration with the Housing Corporation on 13 December 1976 the then balance on the Capital Account was frozen to be treated as the permanent capital of the Charity. All unrealised movements in value of both freehold property and other investments have been added to or deducted from the capital value of the Charity.

13 Unrestricted designated fund

The income of the Charity include the following designated fund, which have been set aside out of unrestricted fund by the Trustee for specific purposes.

Group and Charity	Balance 1 Jan 2020 £	New Designations £	Unrealised gain £	Utilised £	Balance 31 Dec 2020 £
New almshouse project	-	3,500,000	-	-	3,500,000
	<u>-</u>	<u>3,500,000</u>	<u>-</u>	<u>-</u>	<u>3,500,000</u>

New almshouse project

A designation of £3,500,000 has been created to help meet the cost of the new almshouse accommodation project for young people affected by homelessness.

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****14 Analysis of net assets between funds**

Group and charity	Unrestricted fund £	Unrestricted designated fund £	Endowment fund £	Total 2020 £
Leasehold property	-	-	9,112,680	9,112,680
Investments	3,657,254	3,500,000	26,377,475	33,534,729
Current assets	1,849,741	-	-	1,849,741
Current liabilities	(343,264)	-	-	(343,264)
	<u>5,163,731</u>	<u>3,500,000</u>	<u>35,490,155</u>	<u>44,153,886</u>
Comparative information	Unrestricted fund £	Unrestricted designated fund £	Endowment fund £	Total 2019 £
Leasehold property	-	-	9,699,446	9,699,446
Investments	331,188	-	26,678,351	27,009,539
Current assets	7,342,445	-	(1,093,828)	6,248,617
Current liabilities	(276,138)	-	(24,189)	(300,327)
	<u>7,397,495</u>	<u>-</u>	<u>35,259,780</u>	<u>42,657,275</u>

15 Accommodation under management

During the year the Trustee managed the following accommodation :

34 almshouse dwellings at Christopher Boone's Court, Blessington Road, SE13 5FW.

16 Related party transactions

Listed below are details of material related party transactions entered into by the Charity during the course of the year with Bradestrete Services Limited, a connected party.

Administration, establishment and management expenses incurred on behalf of the Charity by :-

- Bradestrete Services Limited £80,635 (2019: £132,067)

Details of the year end balances with connected parties are disclosed in notes 10 and 11 to the Financial Statements.

The Directors of the Trustee are also members of Merchant Taylors' Company.

17 Operating Leases

The future minimum rental incomes are due under non-cancelling operating leases for each of the following periods

Group and charity	2020 £	2019 £
Not later than one year	756,645	560,233
Later than one year and not later than five years	2,666,580	2,267,566
Later than five years	13,049,479	11,979,367
	<u>16,472,704</u>	<u>14,807,166</u>

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****18 Comparative information**

Consolidated	Unrestricted Fund £	Unrestricted Designated Fund £	Endowment Fund £	Total 2019 £
Income and endowments from				
Charitable activities:				
Other Income (Leah Lodge)	43,272	-	-	43,272
Charitable activities				
- Merchant Taylors' Almshouses	39,675			39,675
- Christopher Boones Court	287,571			287,571
Investments	1,067,359	-	-	1,067,359
Other Income	3,406,739	-	-	3,406,739
Total income and endowments	4,844,616	-	-	4,844,616
Expenditure on:				
Raising funds				
Investment management costs	-	-	19,505	19,505
Investment property costs	553,793	-	-	553,793
	553,793	-	19,505	573,298
Charitable activities				
Accommodation provision for the elderly	206,544	80,045	-	286,589
Support costs	252,135	-	2,947	255,082
	458,679	80,045	2,947	541,671
Total expenditure	1,012,472	80,045	22,452	1,114,969
Income less expenditure	3,832,144	(80,045)	(22,452)	3,729,647
Net gains on investments				
Realised & unrealised	-	62,598	463,397	525,995
	-	62,598	463,397	4,255,642
Net income	3,832,144	(17,447)	440,945	4,255,642
Transfer between funds	(520,810)	(129,190)	650,000	-
Net movement in funds	3,311,334	(146,637)	1,090,945	4,255,642
Fund balances brought forward at 1 January 2019	4,086,161	146,637	34,168,835	38,401,633
Fund balances carried forward 31 December 2019	7,397,495	-	35,259,780	42,657,275

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****18 Comparative information (continued)**

Charity	Unrestricted Fund £	Unrestricted Designated Fund £	Endowment Fund £	Total 2019 £
Income and endowments from				
Charitable activities:				
Other Income (Leah Lodge)	43,272	-	-	43,272
Charitable activities				
- Merchant Taylors' Almshouses	39,675			39,675
- Christopher Boones Court	287,571			287,571
Investments	1,067,359	-	-	1,067,359
Other Income	2,310,245	-	-	2,310,245
Total income and endowments	3,748,122	-	-	3,748,122
Expenditure on:				
Raising funds				
Investment management costs	-	-	19,505	19,505
Investment property costs	518,446	-	-	518,446
	518,446	-	19,505	537,951
Charitable activities				
Accommodation provision for the elderly	206,544	80,045	-	286,589
Support costs	252,135	-	2,947	255,082
	458,679	80,045	2,947	541,671
	977,125	80,045	22,452	1,079,622
Total expenditure	2,770,997	(80,045)	(22,452)	2,668,500
Income less expenditure				
Net gains on investments				
Realised & unrealised	-	62,598	463,397	525,995
	-	62,598	463,397	3,194,495
Net income	2,770,997	(17,447)	440,945	3,194,495
Transfer between funds	(520,810)	(129,190)	650,000	-
	2,250,187	(146,637)	1,090,945	3,194,495
Net movement in funds				
Fund balances brought forward at 1 January 2019	4,086,161	146,637	34,168,835	38,401,633
Fund balances carried forward 31 December 2019	6,336,348	-	35,259,780	41,596,128

Merchant Taylors' Boone's Charity**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****18 Comparative information**

Group and Charity

	Balance 1 Jan 2019 £	Total Expenditure £	Transfers between funds £	Realised/ unrealised gains £	Balance 31 Dec 2019 £
Permanent endowment	197,543	-	-	-	197,543
Tangible fixed assets	-	-	9,185,000	-	9,185,000
Investments:					
- property	21,853,530	(2,947)	-	(35,146)	21,815,437
- other	3,582,762	(19,505)	-	498,543	4,061,800
Debtors	8,535,000		(8,535,000)		-
	<u>34,168,835</u>	<u>(22,452)</u>	<u>650,000</u>	<u>463,397</u>	<u>35,259,780</u>

Unrestricted designated fund

Group and Charity

	Balance 1 Jan 2019 £	Utilised £	Unrealised gain £	Transfers £	Balance 31 Dec 2019 £
Extraordinary repairs	95,485	(60,401)	62,598	(97,682)	-
Cyclical repairs	88,050	(2,094)	-	(85,956)	-
Routine repairs	(36,898)	(17,550)	-	54,448	-
	<u>146,637</u>	<u>(80,045)</u>	<u>62,598</u>	<u>(129,190)</u>	<u>-</u>

*The Merchant Taylors' Boone's Charity***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****19 Resident charge losses arising from void periods**

Resident charge losses arising from void periods during the year amounted to £nil (2019 : £29,207).

20 Other income

Income received on completion of the Christopher Boone's and Merchant Taylors' almshouse sites

	2020	2019
	£	£
Income from sale	-	764,230
Planning overages	-	546,015
Income from variation of agreements	500,000	1,000,000
Income from subsidiary	1,077,197	-
	<hr/>	<hr/>
Charity total	1,577,197	2,310,245
Income received by Boone's Enterprises Ltd		
Income from sale	1,000,010	-
Planning overages	-	1,096,494
	<hr/>	<hr/>
Consolidated Total	1,000,010	3,406,739
	<hr/> <hr/>	<hr/> <hr/>