
THE MARKETORS' TRUST

ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2020

THE MARKETORS' TRUST

CONTENTS

	Page
Trust information	1
Trustees' report	2
Independent auditors' report	7
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12

THE MARKETORS' TRUST

TRUST INFORMATION

Trustees

The Trustees at the date of this report are:

P. Andrew - Chairman (appointed 22 January 2015)
J. Hooper CBE – Deputy Chairman (appointed 19 March 2013)
D. Tombs (appointed 20 March 2018)
J. Farrell (appointed 30 January 2019)
Dr T. Brignall (appointed 30 January 2020)
J. Boulding – Hon. Treasurer (appointed 25 March 2021)
D. Clarke-Noble (appointed 29 March 2021)
A.B. Mackay (appointed 29 March 2021)
G. Cartwright (appointed 27 January 2021)
D.C. Cowell (appointed 29 March 2021)

In addition, the following Trustees served during the period under review:

A. J. Cross (appointed 20 March 2018, resigned 30 January 2020)
L. Wilson (appointed 20 March 2018, resigned 27 January 2021)
T.S. Corrigan OBE (appointed 22 January 2015, resigned 27 January 2021)
S. Garland – Worthington OBE (appointed 14 March 2013, resigned 27 January 2021)
C. Robinson – Hon. Treasurer (appointed 21 March 2019, resigned 25 March 2021)

Secretary

J. Hammond

Charity number

272339

Address

Plaisterers' Hall,
One London Wall,
London,
EC2Y 5JU.

Website

www.marketors.org

Independent auditors

F. W. Smith, Riches & Co.,
Chartered Accountants & Statutory Auditors,
15 Whitehall,
London,
SW1A 2DD.

Bankers

CAF Bank Limited,
25 Kings Hill Avenue,
Kings Hill,
West Malling,
Kent,
ME19 4JQ.

Investment advisors

Tilney,
6 New Street Square,
New Fetter Lane,
London,
EC4A 3BF.

THE MARKETORS' TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report together with the financial statements of the Trust for the year ended 31 December 2020. The report and financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's trust deed, the Charities Act 2011 and 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 the Republic of Ireland (FRS 102).

Appointment of Trustees

Four Trustees are appointed on the basis of their position within the Worshipful Company of Marketors. The Master, the Senior Warden, the Middle Warden and the Treasurer are Company appointed Trustees. Once elected an officer of the Company, the officer is appointed a Trustee and normally serves for a three year term. The Chairman of the Trustees is appointed by the Court of the Worshipful Company of Marketors. A maximum of five further Trustees can be appointed by the Trust. These Trustees cannot be serving officers of the Company and must not be Court Members of the Company. Of the five possible further Trustees, three were appointed on 29 March 2021.

Induction and training

New Trustees are briefed on the Trust's aims and policies and are given copies of the trust Deed and historical financial statements. Training and further guidance is provided when requested by new Trustees.

Objectives and activities

The Trust was formed to encourage education in marketing, to provide relief to any person in necessitous circumstances who is or has been a Member of the Worshipful Company of Marketors and to make grants to any charitable association established for educational or other charitable purposes in the City of London or elsewhere. The Trustees annually review the charitable activities the Trust undertakes and consider new opportunities for giving, putting in place measurable KPIs on any major new expenditure.

The Trust has a continuing programme of support by way of donations to selected charities including, St. Bride's Church (associated with the Company), charities supported by the Lord Mayor's Appeal, those connected with the Corporation of the City of London and relief of Liverymen and Freemen in necessitous circumstances.

Legal and charitable status

The Trust is constituted under a trust deed dated 12 October 1976 and is a registered charity (no.272339).

Financial review

The financial results for the year are set out on page 10.

Each year the Trustees' policy is to aim to distribute the Trust's incoming resources after making allowance for the management and administrative costs of the Trust, between Education and Charities. The impact of Covid meant that giving in educational prizes and awards was down substantially. The Trust will aim to recover this position during 2021 and 2022. We are pleased to report that total income was slightly higher than in 2019. A full review will be undertaken in late 2021 of our giving policy with an aim to increase giving substantially during the next three financial years.

Again, due to the pandemic, the Trustees met in person only once during the year. However, the Chair kept trustees fully informed of developments and many informal meetings and discussions on the business of the Trust were carried out through phone, Teams and Zoom during the year to ensure that the trustees remained involved in the running of the Trust.

THE MARKETORS' TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review (continued)

Education

The Trust has established links with a wide range of universities, colleges of higher education and schools in the UK. The Trustees review each year a range of existing and potential awards to students undertaking studies associated with marketing.

The educational awards and prizes given by the Trustees are set out in note 8 to the financial statements. These amounted to £2,540 (2019: £18,449). As explained above, the significant reduction was due to Covid restrictions and the impact on many educational institutions during 2020. The Trustees consider this to be temporary as restrictions ease and new ways of working are found. The Trustees anticipate recovering the giving to the previous position over the next two years.

Charity

The Trustees each year receive and review a wide range of appeals. Their policy is generally to support appeals from the Lord Mayor of the year, St. Bride's Church and a number of charities or causes mainly associated with the City of London.

During the period the Trust made donations to charitable causes amounting to £29,110 (2019: £39,235) as set out in note 10 to the financial statements.

The Trustees also consider appeals for assistance to Liverymen, Freemen and their families who are in need, usually on the advice of the Company Almoners.

During the period the Trustees provided hardship grants of £1,200 (2019: £1,200) to the widow of a former Liveryman as set out in note 9 to the financial statements.

A separate Hardship Fund was set up by the Trust during 2020 specifically to assist any member of the Worshipful Company of Marketors who had fallen into financial difficulty due to Covid. The Trust put aside £80,000 and a communications and marketing plan was rolled out to promote the availability of this hardship fund to members of the Company. As at the date of this report there have been no drawdowns on this fund. The fund remains open but £50,000 of the £80,000 has been returned to our investment account with Tilney.

Donors

The Trust is reliant for its voluntary income on regular donations (mostly by direct debit and with gift aid) from members of the Worshipful Company of Marketors, which is supplemented by income from the Trust's investments. The Trustees regularly seek to increase the number of members of the Company contributing. The Trustees take this opportunity to thank all those who have made donations to the Trust during the year.

Plans for future periods

The Trustees are satisfied both with the Trust's financial progress over the past five years and the broad thrust of its strategic approach to giving. The Trust's core aims are to inspire excellence in marketing education, to support City charities and marketing affiliates and to care for Marketors in need. The Trustees will continue to encourage regular (ideally gift-aided) donations from Members of the Worshipful Company of Marketors and also to urge all such Members to consider leaving a legacy gift to the Trust.

THE MARKETORS' TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods (continued)

The Trustees anticipate increasing the Trust's charitable giving in future years. In the context of the Coronavirus pandemic, the Trustees have notionally ring-fenced a substantial sum to provide assistance to Members of the Worshipful Company of Marketors who find themselves "in necessitous circumstances". This situation will be monitored on an ongoing basis and the Trustees hope to re-introduce mothballed plans once the markets and supporter donations have stabilized. The Trust is currently undertaking a full giving review whereby we hope to target the giving towards initiatives that give access to the marketing profession to those who otherwise would not have had the opportunity. This is likely to lead to larger giving amounts with longer term commitments.

Public benefit

The Marketors' Trust has aims which are for the public benefit in that they provide charitable assistance to a number of different categories of applicants all of which are open to any member of the public which fall into these categories:

- a) The education or training of person or persons connected with the Industry of Marketing by means of prizes, awards, sponsorship and bursaries.
- b) The making of grants, donations, subscriptions to any registered charity which has as its objects the promotion of education and training in the field of marketing.
- c) The making of grants, donations or subscriptions to any charitable organisation or to any fund whose purpose is educational or other charitable purposes in the City of London, or elsewhere in the UK.
- d) The relief of any person who is the member or dependent of a member or of any deceased member of the Worshipful Company of Marketors.
- e) Any other charitable purpose.

How much is given

The benefits are normally for sums varying from £250 to £10,000.

How is money dispersed

A list of the charities that the Trust aims to support each year is maintained by the Trust Secretary. Each year this is reviewed by the Trustees and they consider if it is appropriate to keep the charities on the list and whether there are any other causes that should be added. The Chairman of the Trust prepares, after reviewing applications, for the consideration of the Trustees a schedule of awards and sponsorship that he feels should be considered by the Trustees. The Trustees meet regularly, and at each meeting consider any requests that have come before them and any additional "one off" grants that they wish to give.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives, setting the donation making policy for the year and in planning future activities.

THE MARKETORS' TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Investment policy

The management of the Trust's investments is delegated to professional investment managers, Tilney.

The Trustees' investment policy is to grow the capital base of the Trust in real terms in order to produce an increasing level of income to fund the approximate level of expenditure envisaged by the Trustees in accordance with the Trust's objects. The Trustees have established a formal benchmark of UK RPI + 3% measured over rolling five-year periods. Tilney are tasked to deliver an annual income of approximately £28,000. They are not constrained by any social, environmental or ethical considerations. The Trustees believe that the Trust's funds should be invested to provide the maximum total return commensurate with the level of risk agreed between the Trust and its advisors. Overall the portfolio should provide the opportunity for capital and income growth to meet the objectives of the Trust and should provide some protection against inflation.

The Trustees review the performance of the Trust's investments on a regular basis.

The Trust's investments have performed broadly in line with the markets. The market value of the Trust's investments at the end of the year was £838,498 (2019: £937,995).

Reserve policy

The Trustees have examined the requirement for free reserves, which are unrestricted reserves, and consider that the Trust should aim to maintain reserves around £700,000 with the remaining balance being held for the purpose of new giving proposals, to be sought from the membership of the Company or the Trustees. It is anticipated that new giving proposals will be larger in scale and value to beneficiaries. This policy to be reviewed annually by the Trustees. The Trustees will also ensure that sufficient investment income will be generated in order to enable the Trust to continue to maximise its charitable activities in accordance with its aims whilst being very conscious of not building up reserves at the expense of fulfilling our charitable objects. As shown on page 11 of the financial statements the Trust's free reserves were £930,997 (2019: £959,423). At 31 December 2020 the reserves included £91,175 (2019: £153,782) of unrealised gains on investments. It is, therefore, likely that the actual level of the Trust's reserves will vary in accordance with the performance of stock markets.

Risk management

The Trust, as a small charity, is not required to undertake a formal risk analysis.

THE MARKETORS' TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

By order of the Trustees



P. Andrew – Chairman

23 September 2021

THE MARKETORS' TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARKETORS' TRUST

Opinion

We have audited the financial statements of the Marketors' Trust ("the Trust") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 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 Trust's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust 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 Trust'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 auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

THE MARKETORS' TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARKETORS' TRUST

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 Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6 the Trustees are 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include the Charities Act 2011, UK financial reporting standards and GDPR.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

THE MARKETORS' TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARKETORS' TRUST

Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of the minutes of Trustee meetings; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 Trust's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trust's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

F. W. Smith, Riches & Co.

F. W. Smith, Riches & Co.

Chartered Accountants & Statutory Auditors
London

23 September 2021

F. W. Smith Riches & Co. is eligible for appointment as auditor of the Marketors' Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MARKETORS' TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**


	Note	2020 £	2019 £
Income			
Donations, legacies and gifts	3	47,104	44,685
Investment income	4	27,523	29,259
Total income		74,627	73,944
Expenditure			
<i>Costs of raising funds:</i>			
Cost of generating voluntary income	5	781	723
Investment management fees		7,504	8,336
		8,285	9,059
<i>Charitable activities:</i>			
Educational awards and prizes	8	3,256	20,660
Hardship grants	9	1,631	1,507
Charitable donations	10	35,483	43,739
		40,370	65,906
Total expenditure		48,655	74,965
Net income and net movement in funds before gains on investments		25,972	(1,021)
Unrealised (losses)/gains	11	(56,607)	115,645
Realised gains	11	2,209	5,546
Net movement in funds for the year	15	(28,426)	120,170
Fund balance brought forward	15	959,423	839,253
Fund balance carried forward	15	930,997	959,423

THE MARKETORS' TRUST

BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	11	838,498	937,995
Current assets			
Debtors	12	10,036	8,606
Cash at bank and in hand	13	89,701	28,161
Total current assets		99,737	36,767
Creditors: amounts falling due within one year	14	(7,238)	(15,339)
Net current assets		92,499	21,428
Total assets less current liabilities		930,997	959,423
Funds of the Trust			
Unrestricted funds	15	930,997	959,423

The financial statements on pages 10 to 21 were approved and authorised for issue by the Trustees on 23 September 2021 and were signed on their behalf by:



P. Andrew
Chairman

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust qualifies as a small charity and has therefore taken advantage of the exemption in the Charities SORP FRS 102 not to prepare a statement of cash flows.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

1.2 Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that income will be received and the amount of income receivable can be measured reliably. The following criteria must also be met before income is recognised:

Donations and gifts

Donations and gifts are recognised when both the amount and settlement date are known.

Legacies

Legacies are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Investment income

Interest on funds held on deposit is included upon notification of the interest being paid or payable. Income from investments is recognised once the distribution has been declared and notification of the distribution due has been received.

1.3 Resources expended

Expenditure is recognised in the period when there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All support and governance costs are allocated or apportioned to the applicable expenditure headings. Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice.

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5 Funds

Unrestricted funds

Unrestricted funds are funds that the Trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds

Restricted funds are funds, which have legal restrictions on their use, where donors have specified the funds can only be spent on specific activities.

1.6 Financial instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and 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.

1.7 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.8 Foreign currency translation

Functional and presentation currency

The Trust's functional and presentation currency is the pound sterling.

1.9 Investment management fees

Investment management fees represent the cost of the management of the Trust's investment portfolio.

1.10 Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice.

Governance costs and support costs relating to charitable activities have been apportioned in proportion to the amounts granted. The allocation of support and governance costs is analysed in note 6.

1.11 Charitable activities

Costs of charitable activities include grants made and an apportionment of support and governance costs as shown in note 6.

1.12 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their original purchase value. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are shown separately in the Statement of Financial Activities.

1.13 Taxation

H. M. Revenue & Customs has granted the Trust charity exemption and thus it is exempt from taxation.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. Whilst management have made judgements, estimates and assumptions in preparing the financial statements, they consider that these have not had a significant effect on amounts recognised.

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Donations, legacies and gifts

	2020 £	2019 £
Donations including gift aid	47,104	44,685
	<u>47,104</u>	<u>44,685</u>

4. Investment income

	2020 £	2019 £
Interest receivable from the Martyn Davis Charitable Trust	21	-
Interest – fixed interest securities	15	814
Dividends – equities and unit trusts	27,487	28,445
	<u>27,523</u>	<u>29,259</u>

5. Cost of generating voluntary income

	2020 £	2019 £
Charities Aid Foundation charges	781	723
	<u>781</u>	<u>723</u>

THE MARKETORS' TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Allocation of governance and support costs

An analysis of the Trust's governance and support costs is given below:

	Governance costs	Support costs	Total 2020	Total 2019
	£	£	£	£
Bookkeeping services	1,680	-	1,680	1,680
Trustees' indemnity insurance	160	-	160	160
Software	143	-	143	108
Bank charges	-	74	74	74
Services of the Trust's Secretary	2,550	450	3,000	3,000
External audit fee (including VAT)	2,200	-	2,200	2,000
Printing	263	-	263	-
	6,996	524	7,520	7,022

The cost of the services of the Trust's secretary is apportioned based on time spent. Other costs where directly attributable to an activity are allocated to that activity. Where a cost is not directly attributable it is allocated initially to support costs. Subsequently support costs and governance costs are allocated on a basis consistent with the use of resources. The cost allocations are given below:

Cost allocation: 2020	Educational Awards and Prizes	Charitable Donations	Hardship Grants	Total 2020
	£	£	£	£
Governance costs	541	6,199	256	6,996
Support costs	175	174	175	524
	716	6,373	431	7,520

Cost allocation: 2019	Educational Awards and Prizes	Charitable Donations	Hardship Grants	Total 2019
	£	£	£	£
Governance costs	2,036	4,329	133	6,498
Support costs	175	175	174	524
	2,211	4,504	307	7,022

7. Trustees' remuneration and expenses

The Trustees all give freely of their time and expertise without any form of remuneration. In addition, no expenses were reimbursed to the Trustees in either 2020 or 2019.

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Educational awards and prizes

	2020 £	2019 £
Middlesex Business School award winner	520	-
Cambridge Judge Business School award winner	520	1,187
Westminster Business School award winner	500	1,240
Bath Business School award winner	500	1,188
Cranfield Business School award winner	500	-
Cass Business School Scholarship	-	10,240
Regent's Business School award winner	-	1,240
Anglia Ruskin Business School award winner	-	1,200
Newcastle Business School award winner	-	1,000
CIM Top Student award winner	-	1,000
Research Project	-	154
	2,540	18,449
Allocated costs (note 6)	716	2,211
	3,256	20,660

All awards and prizes are made to individuals.

9. Hardship grants

	2020 £	2019 £
Hardship grants to individuals	1,200	1,200
	1,200	1,200
Allocated costs (note 6)	431	307
	1,631	1,507

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Charitable donations

	2020 £	2019 £
Museum of Brands	15,000	15,000
Lord Mayor's Appeal	5,000	2,000
St Bride's Foundation	2,500	2,500
Army Benevolent Fund	1,000	1,000
British Red Cross	1,000	1,000
History of Advertising Trust	1,000	1,000
Archive of Social & Market Research	1,000	1,000
Market Research Society	960	960
Mansion House Scholarships	500	500
City & Guilds	500	500
151 Regiment*	500	-
Hallmark Care Homes	100	-
MacMillan Cancer Support	50	-
NABS	-	10,000
The Westminster Society	-	1,000
Sheriffs' & Recorder's Fund	-	1,000
Cycle Smart	-	1,000
HMS St Albans	-	350
St Dunstan's	-	200
APV & Anal Cancer Foundation	-	100
Royal British Legion	-	50
British Heart Foundation	-	25
Acute Stroke Unit	-	25
British Liver Trust	-	25
	29,110	39,235
Allocated costs (note 6)	6,373	4,504
	35,483	43,739

All charitable donations were made from unrestricted funds.

* The gift to 151 regiment was made in recognition of the outstanding work that the regiment carried out in support of the NHS during the pandemic.

THE MARKETORS' TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Charitable donations (continued)

Analysis of donations to institutions:	2020 £	2019 £
Health, welfare and advice	5,150	19,535
Education, training and cultural activities	18,960	17,700
Lord Mayor's Appeal	5,000	2,000
Allocated costs	6,373	4,504
	35,483	43,739

The Lord Mayor's Appeal supports a number of charities. Further details of the charities supported can be found at: www.the.lordmayorsappeal.org.

11. Investments – listed

	2020 Cost £	2020 Fair value £	2019 Cost £	2019 Fair value £
Brought forward	784,213	937,995	785,440	823,578
Additions	157,648	157,648	36,000	36,000
Disposals	(200,538)	(202,747)	(37,227)	(42,774)
Realised gains	-	2,209	-	5,546
Change in fair value	-	(56,607)	-	115,645
Carried forward	741,323	838,498	784,213	937,995

Investments at fair value comprise:

	2020 £	2019 £
Equities and unit trust	838,498	886,861
Fixed interest securities	-	51,134
	838,498	937,995

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Investments are financial assets measured at fair value through the Statement of Financial Activities.

THE MARKETORS' TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Debtors

	2020 £	2019 £
Prepayments and accrued income	8,556	8,606
Loan to Martin Davis Charitable Trust	1,480	-
	10,036	8,606

13. Bank balances

	2020 £	2019 £
Current account	49,696	25,708
Deposit with investment managers	40,005	2,453
	89,701	28,161

14. Creditors: amount falling due within one year

	2020 £	2019 £
Charitable donation payable	-	10,000
Investment management fees	1,974	2,115
External audit fee	2,200	2,000
Bookkeeping	1,050	1,050
The Worshipful Company of Marketors	1,500	160
Bank letter fee	14	14
Benjamin James Ryan	500	-
	7,238	15,339

15. Funds

	Unrestricted funds £
At 1 January 2020	959,423
Net movement in funds in year	(28,426)
At 31 December 2020	930,997

16. Restricted funds

At 31 December 2020 and 31 December 2019 the Trust had no restricted funds.

THE MARKETORS' TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Related party transactions

The Trust is controlled by its Trustees.

The Worshipful Company of Marketors has connections with two charities. These are the Trust and the Martyn Davis Charitable Trust.

During the year, the Trust made a short-term interest-bearing loan of £1,480 (2019: £nil) to the Martin Davis Charitable Trust ("MDCT"). The loan was outstanding at the balance sheet date but has since been repaid in full. The loan was provided to facilitate the opening of a bank account at CAF Bank. Whilst MDCT had significant reserves they were tied up in long term investments making it expensive and time consuming to liquidate such a small sum for a short period. It was therefore agreed that the Trust would provide a short-term loan to MDCT. The interest receivable on the loan during the year was £21 (2019: £nil).

During 2019, the Martyn Davis Charitable Trust awarded a bursary to attend Harvard Business School to Phil Andrew, a Trustee of the Marketors' Trust. The bursary was widely promulgated to Members of the Worshipful Company of Marketors, though Harvard Business School's basic entry requirements meant that it was only relevant to a few. Interested members were invited to send applications to the Clerk of the Company who then submitted them to Professor Mike Jones, Chairman of the Company's Awards Committee. Selected candidates were invited for interview in London. The interviewing panel comprised the Chairman of the Company's Awards Committee, the Master of the Company, a former Harvard Bursary winner, the Chairman of the Trust and the Harvard Business School's admissions' tutor. The conclusion of this panel was unanimously in favour of Phil Andrew.

The value of the bursary was \$82,000 (£60,078 at the year end exchange rate), payable direct to Harvard Business School, to cover course fees and £3,000 payable to Phil Andrew to cover the cost of flights and other incidental expenses. Sadly, the course has been postponed until March 2022 due to the Coronavirus pandemic.

The Trustees consider, except for the disclosure above, that there are no transactions with related parties requiring disclosure.