

**Carpenters'  
Company  
Charitable  
Trust**

**Annual Report and Accounts**

30 June 2021

Charity Registration Number  
276996

## Contents

### Reports

Legal and administrative information	1
Trustees' report	2
Independent auditor's report	6

### Accounts

Statement of financial activities	10
Balance sheet	12
Statement of cash flows	13
Principal accounting policies	14
Notes to the accounts	18

## Legal and administrative information

<b>Trustees</b>	Mr M R Mathews Mr M J Samuel Mrs R F Bower Mr A M Gregory-Smith
<b>The Clerk</b>	Brigadier T J Gregson
<b>Registered address</b>	Carpenters' Hall Throgmorton Avenue London EC2N 2JJ
<b>Charity registration number</b>	276996
<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Investment advisors</b>	The Investments Committee of The Worshipful Company of Carpenters
<b>Solicitors</b>	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY
<b>Surveyors</b>	Daniel Watney LLP 165 Fleet Street London EC4A 2DW
<b>Investment managers</b>	Waverton Investment Management Limited 21 St James's Square London SW1Y 4HB

The Trustees present their statutory report together with the accounts of the Carpenters' Company Charitable Trust for the year ended 30 June 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 17 and comply with the charity'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 Republic of Ireland (FRS 102).

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

The charity is governed by a trust deed dated 27 November 1978 which requires the Trustees to distribute the funds of the charity for charitable purposes as directed by the Court of The Worshipful Company of Carpenters.

### ***Key management personnel***

The overall responsibility for the charity lies with the Trustees who are appointed by The Worshipful Company of Carpenters and are listed on page 1. Trustees do not receive remuneration for their services. The appointment is of a voluntary nature and there shall be not less than three Trustees. Before their appointment, Trustees will have had considerable experience of the charity through their membership of the Court of The Worshipful Company of Carpenters. This experience will have been gathered over many years and their knowledge of the workings of the charity is extensive. Further training has been given during the year and is always available where appropriate. Professional advice is always sought where required.

The consideration of grants is delegated to the Charitable Grants Committee, which comprises the Master, Senior Warden, three elected members of the Court and up to four co-opted Liverymen of the Worshipful Company of Carpenters. This committee meets three times each year and also considers grant applications received by a connected charity, Norton Folgate Trust. Day to day management is the responsibility of the Clerk to The Worshipful Company of Carpenters. The Clerk is remunerated by The Worshipful Company of Carpenters.

### ***Risk management***

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The greatest risk facing the charity is external. Significant volatility in the investment market could lead to reduced income and impact on the charity's ability to meet its funding commitments, some of which are long term. To mitigate this risk, funding commitments are reviewed annually and strictly limited to the income generated in the previous year. Other liabilities are reviewed constantly and no new commitments are accepted unless sufficient funds are available.

## **Structure, governance and management (continued)**

### ***Connected charities and related parties***

The Worshipful Company of Carpenters is also responsible for the management and administration of three other registered charities, details of which are given in note 15 to the accounts.

The Worshipful Company of Carpenters owns land which it leases to the charity at a peppercorn rent. The charity's investment property which it has built on this land is leased to a connected charity, Building Crafts College. The charity also makes an annual grant to the College.

### **Objectives and activities**

Subject to protecting the charity's capital base, the main objective for the year was to maximise the grants payable by the charity whilst ensuring that there are sufficient funds carried forward to meet the reserves policy outlined below.

The charity continues to own the long leasehold of the Building Crafts College in Stratford, which it holds as an investment.

The charity supports the Building Crafts College through an annual grant.

The Henry Osborne Award Fund provides an annual award for a student at the Guildhall School of Music and Drama.

The charity also makes other grants in accordance with the policy set out below.

### ***Grant making policy***

The charity awards grants to a wide range of educational and welfare activities. The majority of its income each year goes to the Building Crafts College, but the charity also maintains long-standing commitments to numerous other organisations, mainly in the Greater London area. Its priorities for grants of a more general nature are: Youth, Children, the Homeless and the Aged.

### ***Public benefit statement***

The Trustees confirm that they have complied with their duty under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The Trustees' report gives a description of the activities undertaken by the charity during the year in furtherance of its charitable purposes and the Trustees are satisfied that all such activities provide a public benefit.

### ***Fundraising statement***

The charity does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data and never sell or swap data with other organisations. During the current and prior year, the charity received no complaints about fundraising activities.

### **Achievements during the year**

The objectives, as set out above, were achieved during the current year. Grants were made to 22 institutions (2020 - 23 institutions). The capital base of the charity's investments has been preserved in order to maximise future income.

### **Financial review**

A summary of the charity's results for the year can be found on page 10.

Total income for the year amounted to £1,184,786 (2020 - £1,194,804 ) which included shares received from The Worshipful Company of Carpenters with a market value of £302,701 (2020 – £290,832). Total expenditure during the year was £1,555,069 (2020 - £1,512,764) including £1,139,381 (2020 - £1,026,868) relating to the Building Crafts College.

### **Reserves policy**

The balance sheet shows total funds of £35,987,996 comprising endowment funds of £27,606,302, restricted funds of £122,612, designated funds of £7,706,298 and general funds or 'free' reserves of £552,784.

The charity's commitments are reviewed annually and are usually limited to the income generated in the previous year although, exceptionally, additional grants may be approved from the current year's income. The charity does not therefore have a requirement to hold free reserves in excess of the following year's planned grant payments.

### **Investment policy and performance**

At 30 June 2021 the total market value of listed investments, including cash held for investment, had increased by £2,975,507 to £27,488,435, including unrealised gains in the year of £3,460,978. The charity also has a leasehold investment property with a valuation of £7,450,000, an increase of £400,000 in the year.

There are no restrictions on the charity's power to invest. The investment strategy is set by the Trustees and takes into account income requirements, risk profile and their view of the market prospects in the medium term. The overall investment policy is to provide a stable level of income.

The Trustees are satisfied that the performance of the charity's investment portfolio is in line with market conditions.

### **Future plans**

The Trustees plan to continue the activities listed on the previous page.

The charity aims to increase the real value of its capital investments over time in order to generate increased income. This income will continue to be committed to good causes, of which the chief recipient is currently the Building Crafts College.

**Trustees' responsibilities statement**

The Trustees are responsible for preparing the Trustees' report and accounts 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 Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. They are 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 Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:



M R Mathews  
Trustee

Approved by the Trustees on: 26 October 2021

**Independent auditor's report to the Trustees of Carpenters' Company Charitable Trust**

**Opinion**

We have audited the accounts of Carpenters' Company Charitable Trust (the 'Charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the accounts which include the principal 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 accounts:

- ◆ give a true and fair view of the state of the Charity's affairs as at 30 June 2021 and of its income and expenditure 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- ◆ the information given in the Trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

**Auditor's responsibilities for the audit of the accounts** (continued)

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the Charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Charity, including the Charities Act 2011 and the financial reporting framework referred to above; and
- ◆ we understood how the Charity is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the Charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ performed substantive testing of expenditure including testing the authorisation thereof; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

**Auditor's responsibilities for the audit of the accounts** (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

26 October 2021

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

**Statement of financial activities** Year to 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
<b>Income</b>						
Donations	1	309,063	53,055	—	<b>362,118</b>	342,028
Investment income	2	822,229	—	—	<b>822,229</b>	852,092
Other income		439	—	—	<b>439</b>	684
<b>Total Income</b>		<b>1,131,731</b>	<b>53,055</b>	<b>—</b>	<b>1,184,786</b>	<b>1,194,804</b>
<b>Expenditure</b>						
Cost of raising funds	3	223,587	—	—	<b>223,587</b>	229,281
Charitable activities	4	1,281,742	49,740	—	<b>1,331,482</b>	1,283,483
<b>Total expenditure</b>		<b>1,505,329</b>	<b>49,740</b>	<b>—</b>	<b>1,555,069</b>	<b>1,512,764</b>
<b>Net (expenditure) income before gains on investments</b>		<b>(373,598)</b>	<b>3,315</b>	<b>—</b>	<b>(370,283)</b>	<b>(317,960)</b>
Gain on revaluation of investment property	8	400,000	—	—	<b>400,000</b>	100,000
Gains on listed investments	8	—	—	3,084,196	<b>3,084,196</b>	1,168,097
<b>Net income and net movement in funds</b>		<b>26,402</b>	<b>3,315</b>	<b>3,084,196</b>	<b>3,113,913</b>	<b>950,137</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 July 2020		<b>8,232,680</b>	<b>119,297</b>	<b>24,522,106</b>	<b>32,874,083</b>	<b>31,923,946</b>
Fund balances carried forward at 30 June 2021		<b>8,259,082</b>	<b>122,612</b>	<b>27,606,302</b>	<b>35,987,996</b>	<b>32,874,083</b>

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

# Statement of financial activities Year to 30 June 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £
<i>Income</i>					
Donations	1	298,929	43,099	—	342,028
Investment income	2	852,092	—	—	852,092
Other income		684	—	—	684
<b>Total income</b>		<b>1,151,705</b>	<b>43,099</b>	<b>—</b>	<b>1,194,804</b>
<i>Expenditure</i>					
Cost of raising funds	3	229,281	—	—	229,281
Charitable activities	4	1,241,483	42,000	—	1,283,483
<b>Total expenditure</b>		<b>1,470,764</b>	<b>42,000</b>	<b>—</b>	<b>1,512,764</b>
<i>Net (expenditure) income before gains on investments</i>		<i>(319,059)</i>	<i>1,099</i>	<i>—</i>	<i>(317,960)</i>
Gain on revaluation of investment property	8	100,000	—	—	100,000
Gains on listed investments		—	—	1,168,097	1,168,097
<b>Net (expenditure) income and net movement in funds</b>		<b>(219,059)</b>	<b>1,099</b>	<b>1,168,097</b>	<b>950,137</b>
<i>Reconciliation of funds:</i>					
Fund balances brought forward at 1 July 2019		8,451,739	118,198	23,354,009	31,923,946
<b>Fund balances carried forward at 30 June 2020</b>		<b>8,232,680</b>	<b>119,297</b>	<b>24,522,106</b>	<b>32,874,083</b>

All of the charity's activities derived from continuing operations during the above financial period.

All recognised gains and losses are included in the above statement of financial activities.

**Balance sheet** 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Investment property	8		7,450,000		7,050,000
Listed investments	8		<u>27,488,435</u>		<u>24,512,928</u>
			<b>34,938,435</b>		<b>31,562,928</b>
<b>Current assets</b>					
Debtors	9	384,003		504,000	
Short-term deposits		502,504		502,504	
Cash at bank and in hand		<u>359,429</u>		<u>501,452</u>	
		<b>1,245,936</b>		<b>1,507,956</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10	<u>(196,375)</u>		<u>(196,801)</u>	
<b>Net current assets</b>			<b>1,049,561</b>		<b>1,311,155</b>
<b>Net assets</b>			<b><u>35,987,996</u></b>		<b><u>32,874,083</u></b>
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
<b>Capital funds:</b>					
Endowment funds	11		27,606,302		24,522,106
<b>Income funds:</b>					
Restricted funds	12		122,612		119,297
Unrestricted funds					
. Designated funds	13	7,706,298		7,352,360	
. General funds		<u>552,784</u>		<u>880,320</u>	
			<b>8,259,082</b>		<b>8,232,680</b>
			<b><u>35,987,996</u></b>		<b><u>32,874,083</u></b>

Approved by the Trustees  
and signed on their behalf by:



M R Mathews  
Trustee

Approved on: 26 October 2021

# Statement of cash flows Year to 30 June 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<u>(1,375,642)</u>	<u>(1,695,370)</u>
<b>Cash flows from investing activities:</b>			
Investment income		822,229	852,092
Proceeds from the disposal of listed investments		4,975,463	8,052,352
Purchase of listed investments		(4,987,767)	(7,591,427)
Additions to investment property		—	(50,000)
<b>Net cash provided by investing activities</b>		<u>809,925</u>	<u>1,263,017</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(565,717)</b>	<b>(432,353)</b>
<b>Cash and cash equivalents at 1 July 2020</b>	B	<b>2,758,483</b>	<b>3,190,836</b>
<b>Cash and cash equivalents at 30 June 2021</b>	B	<u><b>2,192,766</b></u>	<u><b>2,758,483</b></u>

Notes to the statement of cash flows for the year to 30 June 2021.

## A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>3,113,913</b>	<b>950,137</b>
<b>Adjustments for:</b>		
Gain on investment property	(400,000)	(100,000)
Gains on investments	(3,084,196)	(1,168,097)
Investment income	(822,229)	(852,092)
Shares received from Worshipful Company of Carpenters	(302,701)	(290,832)
Decrease (increase) in debtors	119,997	(197,782)
Decrease in creditors	(426)	(36,704)
<b>Net cash used in operating activities</b>	<u><b>(1,375,642)</b></u>	<u><b>(1,695,370)</b></u>

## B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	359,429	501,452
Short term deposits	502,504	502,504
Cash held by investment managers	1,330,833	1,754,527
<b>Total cash and cash equivalents</b>	<u><b>2,192,766</b></u>	<u><b>2,758,483</b></u>

## **Principal accounting policies 30 June 2021**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### **Basis of preparation**

These accounts have been prepared for the year 30 June 2021 with comparative information presented for the year ended 30 June 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts 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 (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The accounts are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The only item in the accounts where these judgements and estimates have been made is in respect to estimating the valuation of the investment property.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts, including considering the impact of Covid-19 on the charity's income, expenditure and reserves and the charity's beneficiaries. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant area of judgement that affects items in the accounts is detailed above. With regard to the next accounting period, the year ending 30 June 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).



### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds comprises investment management fees and investment property costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations and support costs, including governance costs.

Charitable grants and donations are made where the Charitable Grants Committee consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment and the intended recipient has either received the funds or been informed of the decision to make the grant. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs comprise management costs incurred in respect of the grant making function.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated in full to the charitable activity.

**Investments**

The charity's listed investments are basic financial instruments 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.

Realised gains (or losses) are calculated as the difference between disposal proceeds and their opening carrying value of their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Properties held for investment purposes are included in these accounts at fair value which is based on open market value.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits maturing more than three months after acquisition but less than one year have been disclosed as short term deposits.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

**Fund structure**

Endowment funds comprise monies which must be held as capital. Permanent endowment funds must be permanently retained by the Trustees and cannot normally be spent as if they were income. Where the Trustees have a power of discretion to convert endowed capital into income, the fund is known as an expendable endowment. Income arising from endowment funds is credited to general funds and applied for general purposes.

**Fund structure** (continued)

Restricted funds comprise monies raised for, or which have their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from fixed asset investments held at fair value (see above), basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand and debtors. Financial liabilities held at amortised cost comprise creditors.

## 1 Donations

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Donation from The Worshipful Company of Carpenters	302,701	—	302,701	290,832	—	290,832
Other donations	6,362	53,055	59,417	8,097	43,099	51,196
	<u>309,063</u>	<u>53,055</u>	<u>362,118</u>	<u>298,929</u>	<u>43,099</u>	<u>342,028</u>

## 2 Investment income

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Rental income	309,133	—	309,133	309,133	—	309,133
Income from listed investments	512,976	—	512,976	540,478	—	540,478
Interest receivable	120	—	120	2,481	—	2,481
	<u>822,229</u>	<u>—</u>	<u>822,229</u>	<u>852,092</u>	<u>—</u>	<u>852,092</u>

## 3 Cost of raising funds - Investment management costs

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Investment managers' fees	189,352	—	189,352	162,454	—	162,454
Investment property costs	34,235	—	34,235	66,827	—	66,827
	<u>223,587</u>	<u>—</u>	<u>223,587</u>	<u>229,281</u>	<u>—</u>	<u>229,281</u>

## 4 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Grants payable	1,236,940	49,740	1,286,680	1,150,599	42,000	1,192,599
Support costs	37,362	—	37,362	81,909	—	81,909
Governance costs (note 5)	7,140	—	7,140	6,780	—	6,780
Donations	300	—	300	2,195	—	2,195
	<u>1,281,742</u>	<u>49,740</u>	<u>1,331,482</u>	<u>1,241,483</u>	<u>42,000</u>	<u>1,283,483</u>

Support costs comprise management costs incurred in respect of the grant-making function.

The charity makes grants to institutions in accordance with its grant-making policy set out in the Trustees' report.

#### 4 Expenditure on charitable activities (continued)

The grants payable during the year can be analysed by recipient as follows:

	Grants to institutions		2021 Total funds	Grants to institutions		2020 Total funds
	£	No.	£	£	No.	£
Building Crafts College	1,139,381	1	1,139,381	1,026,868	1	1,026,868
Other education	56,984	2	56,984	56,498	2	56,498
Other	90,315	20	90,315	109,233	20	109,233
	<u>1,286,680</u>	<u>23</u>	<u>1,286,680</u>	<u>1,192,599</u>	<u>23</u>	<u>1,192,599</u>

Grants payable are analysed by purpose as follows:

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Craft activities	1,180,881	49,740	1,230,621	1,101,724	42,000	1,143,724
City of London	13,000	—	13,000	13,000	—	13,000
Religious organisations	6,175	—	6,175	1,175	—	1,175
Youth and children's organisations	6,784	—	6,784	14,700	—	14,700
Miscellaneous	30,100	—	30,100	20,000	—	20,000
<b>2021 Total funds</b>	<u>1,236,940</u>	<u>49,740</u>	<u>1,286,680</u>	<u>1,150,599</u>	<u>42,000</u>	<u>1,192,599</u>

The following grants are included in the analysis above:

	2021 £	2020 £
Building Crafts College	1,139,381	1,026,868
Norton Folgate Trust	49,700	42,000
Carpenters & Docklands Centre	25,000	15,000
Creative Dimension	10,000	15,000
City & Guilds	10,000	10,000
Institute of Carpenters	8,000	14,000
Carpenters Primary School	784	10,998
No Going Back	—	10,000

#### 5 Governance costs

	2021 £	2020 £
Auditor's remuneration	7,140	6,780

#### 6 Trustees' remuneration and remuneration of key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the Clerk of The Worshipful Company of Carpenters. None of the Trustees received any remuneration in respect of their services during the year nor any reimbursement of expenses (2020 - £nil) from the charity.

The Clerk is remunerated by The Worshipful Company of Carpenters.

## 7 Taxation

Carpenters' Company Charitable Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 8 Fixed asset investments

At 30 June 2021 fixed asset investments comprised:

	2021 £	2020 £
Leasehold investment property	7,450,000	7,050,000
Listed investments including cash held by investment managers	27,488,435	24,512,928
	<b>34,938,435</b>	<b>31,562,928</b>

Movements on each category of investment are summarised below.

Leasehold investment property	2021 £	2020 £
Market value at 1 July 2020	7,050,000	6,900,000
Additions	—	50,000
Revaluation gain	400,000	100,000
Market value at 30 June 2021	<b>7,450,000</b>	<b>7,050,000</b>
Cost at 30 June 2021	<b>5,628,312</b>	<b>5,628,312</b>

The market value of the investment property at 30 June 2021 was based on a full valuation by Daniel Watney, Chartered Surveyors.

## 8 Fixed asset investments (continued)

Listed investments	2021 £	2020 £
Market value at 1 July 2020	22,758,401	21,760,397
Additions	4,987,767	7,591,427
Shares received from The Worshipful Company of Carpenters	302,701	290,832
Disposals (proceeds £4,975,463; realised losses £376,782)	(5,352,245)	(7,928,612)
Net unrealised investment gains	3,460,978	1,044,357
	26,157,602	22,758,401
Cash held by investment managers for reinvestment	1,330,833	1,754,527
Market value at 30 June 2021	27,488,435	24,512,928
Cost of listed investments at 30 June 2021	18,942,893	18,048,599

The investments included above, all of which were listed on a recognised stock exchange, comprise:

Listed investments	2021 £	2020 £
UK equities	2,745,300	2,643,913
Overseas equities	19,340,889	15,638,970
UK fixed interest	1,206,642	1,253,316
Overseas fixed interest	—	503,022
UK property funds	1,111,872	960,222
Alternatives	1,648,968	1,668,460
Common investment funds	103,931	90,498
	26,157,602	22,758,401

There are no investments that represent greater than 5% of the total holding (2020 – none).

## 9 Debtors

Due within one year	2021 £	2020 £
Due from Building Crafts College	333,440	452,061
Prepayments and accrued income	37,970	47,110
Other debtors	12,593	4,829
	384,003	504,000

## 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Due to The Worshipful Company of Carpenters	37,401	35,881
Other creditors and deferred income	158,974	160,920
	196,375	196,801

## 11 Endowment funds

	2021 £	2020 £
Permanent endowment fund	103,931	90,498
Expendable endowment fund	27,502,371	24,431,608
	<b>27,606,302</b>	<b>24,522,106</b>

### (a) Permanent endowment fund

	At 1 July 2019 £	Gains and losses £	At 1 July 2020 £	Gains and losses £	At 30 June 2021 £
Henry Osborne Award fund	88,012	2,486	90,498	13,433	103,931

The Henry Osborne Award fund was established to provide income for an annual award for a student at the Guildhall School of Music and Drama. The fund must be retained indefinitely.

### (b) Expendable endowment fund

	At 1 July 2019 £	Gains and losses £	at 1 July 2020 £	Gains and losses £	At 30 June 2021 £
Stratford fund	23,265,997	1,165,611	24,431,608	3,070,763	27,502,371

The Stratford fund represents an original £10,000,000 donation to provide a regular source of income to meet the charity's commitments and charitable objectives. A donation of £108,154 was added to the fund in 2009.

The Trustees have a power of discretion to convert the capital into expendable income.



**12 Restricted funds**

	At 1 July 2020 £	Income £	Expenditure £	At 30 June 2021 £
Carpenters' Livery Award fund	114,285	43,355	(40,000)	117,640
Sycamore fund	1,972	—	—	1,972
Stuckey Award fund	3,000	7,700	(7,700)	3,000
Ketless Award fund	—	2,000	(2,000)	—
Other	40	—	(40)	—
	<u>119,297</u>	<u>53,055</u>	<u>(49,740)</u>	<u>122,612</u>

	At 1 July 2019 £	Income £	Expenditure £	At 30 June 2020 £
Carpenters' Livery Award fund	113,186	41,099	(40,000)	114,285
Sycamore fund	1,972	—	—	1,972
Stuckey Award fund	3,000	—	—	3,000
Ketless Award fund	—	2,000	(2,000)	—
Other	40	—	—	40
	<u>118,198</u>	<u>43,099</u>	<u>(42,000)</u>	<u>119,297</u>

The Carpenters' Livery Award fund, the Sycamore fund, and the Ketless Award fund comprise donations to provide funding for student fees at the Building Crafts College.

The Stuckey Award fund comprises an annual donation, which is to be spent on students attending the Building Crafts College.

**13 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees.

	At 1 July 2020 £	New designations £	Utilised/ released £	Investment gains £	At 30 June 2021 £
Investment property fund	7,050,000	—	—	400,000	7,450,000
Maintenance fund	302,360	55,000	(101,062)	—	256,298
	<u>7,352,360</u>	<u>55,000</u>	<u>(101,062)</u>	<u>400,000</u>	<u>7,706,298</u>

	At 1 July 2019 £	New designations £	Investment gains £	At 30 June 2020 £
Investment property fund	6,900,000	50,000	100,000	7,050,000
Maintenance fund	247,360	55,000	—	302,360
	<u>7,147,360</u>	<u>105,000</u>	<u>100,000</u>	<u>7,352,360</u>

### 13 Designated funds (continued)

The investment property fund represents the book value of the charity's investment property. A decision was made to separate this fund from the general fund in recognition of the fact that the property is a long-term investment and as such its value should not be regarded as funds that would be realisable with ease.

The maintenance fund represents an amount set aside for the maintenance of the Building Crafts College. This fund represents two to five years of anticipated spend. An annual grant to match this provision has been made by The Worshipful Company of Carpenters.

### 14 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2021 £
<b>Fund balances at 30 June 2021 are represented by:</b>					
Fixed asset investments	—	7,450,000	—	27,488,435	<b>34,938,435</b>
Current assets	749,159	256,298	122,612	117,867	<b>1,245,936</b>
Creditors: amounts falling due within one year	(196,375)	—	—	—	<b>(196,375)</b>
<b>Total net assets</b>	<b>552,784</b>	<b>7,706,298</b>	<b>122,612</b>	<b>27,606,302</b>	<b>35,987,996</b>
	General funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2020 £
<b>Fund balances at 30 June 2020 are represented by:</b>					
Fixed asset investments	—	7,050,000	—	24,512,928	<b>31,562,928</b>
Current assets	1,077,121	302,360	119,297	9,178	<b>1,507,956</b>
Creditors: amounts falling due within one year	(196,801)	—	—	—	<b>(196,801)</b>
<b>Total net assets</b>	<b>880,320</b>	<b>7,352,360</b>	<b>119,297</b>	<b>24,522,106</b>	<b>32,874,083</b>

### 15 Related party transactions

The Worshipful Company of Carpenters is responsible for the appointment of the Trustees of, or acts as a Trustee of, the following charities which are registered with the Charity Commission.

- ♦ Building Crafts College: No 312856
- ♦ Norton Folgate Trust: No 230990
- ♦ Rustington Convalescent Home: No 216865

Grants to Building Crafts College are disclosed in note 4. In addition rental income of £309,133 (2020 - £309,133) was receivable from Building Crafts College.

**15 Related party transactions (continued)**

The Worshipful Company of Carpenters made donations of shares to the charity with a market value of £302,701 (2020 – £290,832). It also levied a management charge on the charity of £35,808 (2020 - £81,731) and leased land to the charity at a peppercorn rent.

The charity received £43,355 (2020 - £41,099) from Liverymen of The Worshipful Company of Carpenters for Livery Awards. In the year £40,000 (2020 - £40,000) was paid over to the Norton Folgate Trust from this restricted fund to be paid out in grants. The charity also paid a further £9,700 (2020 – £2,000) from restricted funds to Norton Folgate Trust to be paid out in grants.

There were no other related party transactions. The amounts due from and to related parties are disclosed in notes 9 and 10 to the accounts.

**16 Financial commitments**

The charity is committed to paying grants of £131,100 (2020 - £98,000), subject to funds being available.