

**THE CHARITY TRUST OF THE
ROTARY CLUB OF LONDON**

Report and Financial Statements

For the year ended 30 June 2021

Charity Number: 278511

CHARITY COMMISSION

- 7 APR 2022

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THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Financial Statements for the Year Ended 30 June 2021

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THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Legal and Administrative Information

Charity Number

278511

Trustees

Hugh Kirk MBE FCCA
Clive Amos
Rajiv Sabharwal FCA
Tim MacAndrews FCA
Ian Balcombe (Appointed on 30th June 2020)

Registered Office / Principal Office

10 Sutton Acres
Little Hallingbury
Bishop's Stortford
Hertfordshire
CM22 7RZ

Independent Examiner

Helen Cain
Mercer & Hole
21 Lombard Street
London
EC3V 9AH

Bankers

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

Investment Advisors

Smith and Williamson Investment Management Ltd
25 Moorgate
London
EC2R 6AY

Related Organisation

The Rotary Club of London
10 Sutton Acres
Little Hallingbury
Bishop's Stortford
Hertfordshire
CM22 7RZ

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Report of the Trustees for the Year Ended 30 June 2021

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 30 June 2021.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Trust Deed and the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS 102).

Structure Governance and Management

The Trust was founded by a Declaration of Trust dated 8 June 1979 and is a registered charity in England and Wales. The Declaration of Trust sets out the powers and responsibilities of the Trustees. The Trustees have the responsibility of managing and investing the funds but the distribution of funds – in accordance with the Trust deed – is under direction from the Council of the Rotary Club of London.

Capital and Income may be distributed to Charities and for educational support by way of Scholarships, exhibitions or maintenance for any person over 16 years of age in necessitous circumstances.

The Charity has up to five Trustees who meet at least twice a year together with the President and Vice President of the Club to review the performance of the investments and to decide what, if any, changes should be made and how much money can be set aside for distribution.

In accordance with the Trust Deed, Trustees are appointed by the Rotary Club of London.

These appointments are made after consultation with the existing Trustees. All Trustees are encouraged to attend courses and conferences that would benefit their role as a Trustee of the Charity.

There are no employees of the Charity and the policy and decisions are made by agreement between the Trustees.

Reserves Policy

The Rotary Club of London decided at a general meeting of the Club in the year 2014 that despite the Trust Deed permitting the distribution of capital and income, the Trustees should be asked, subject to market fluctuations, to plan the investment policy on the basis that the value of the Trust should be maintained at a nominal value of £300,000 and not subject to inflation. The value of the assets of the Trust was £396,936. The Trustees in consultation with the Council of the club have agreed to aim to rebuild the capital value as above but also to continue to make distributions to charities as directed.

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Report of the Trustees for the year ended 30 June 2021

Objectives and Activities

The purpose of the Charity according to its Declaration of Trust is that the Trustees shall hold the Charity Trust Fund upon trust to apply both capital and income to or for such charitable objects, institutions or purposes in such proportions and in such a manner as the Council shall from time to time direct and, also in accordance with paragraph 4 thereof the Trustees shall have power at the discretion of the Council to pay or apply the whole or any part of capital and income of the Charity Trust Fund for the advancement of education in the establishment or support of any scholarships.

Smith and Williamson continued to manage the investments of the charity. During the year the funds have been fully invested and have produced both income and capital growth and the Trustees have agreed to the continuation of Smith and Williamson's appointment.

From time to time members of the Club arrange fundraising events for the benefit of the Charity and generally these are administered by the Charity.

The Charity also receives donations from time to time from members or others.

In setting out the Charity's objectives and carrying out our activities, the trustees have had regard to the Charity Commission's guidance on public benefit.

Risk Management

The Trustees have examined the principal areas of the Charity's operation and considered the major risk in each of these areas.

In the opinion of the Trustees the Charity has reviewed systems which, under normal conditions should allow the risks to be mitigated to an acceptable level in its day to day operations.

Review of the year

Considering the COVID situation this has been an exceptional year for the Charity during which it has been able to continue distributions. Following distributions of £45,450 the value of the Charity has still increased from £329,756 to £396,936.

Distributions were made to charities totalling £45,450.

Of these distributions the following were from Unrestricted Funds:

- 2 x donation of £10,000
- 1 x donation of £5,500
- 1 x donation of £5,000
- 1 x donation of £4,500
- 1 x donation of £2,500
- 1 x donation of £1,500
- 1x donation of £1,200
- 8 x donation of £500
- 1 x donation of £1000
- 1 x donation of £250

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Report of the Trustees for the year ended 30 June 2021

The Trustees confirm that they have referred to the guidance contained in the Charities Commission general guidance on public benefits when reviewing the Trust's aims, objectives and future activities.

COVID-19

Beginning in January 2020, global economies have experienced significant volatility resulting from the spread of COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The Trustees are aware that the effects of COVID-19 may continue to adversely affect the global economy and the economies of certain nations.

The main costs of the Charity, other than grants payable, are for accountancy fees and bank charges. As such COVID-19 has had little impact on the operations of the Charity. Due to the adverse impact on the Charity's ability to fundraise the Trustees have agreed to release some of the investment funds so that grants can continue to be made but this should not materially impact the funds held by the Charity.

Plans for the Future

The Trustees intention is to continue to run the Charity along the same lines as this year.

In conclusion the Trustees would like to thank all those who have assisted the Charity during the year.

Trustees

Hugh Kirk MBE FCCA
Florence Kaufmann (Resigned 30th June 2020)
Clive Amos
Rajiv Sabharwal FCA
Tim MacAndrews FCA
Ian Balcombe (Appointed on 30th June 2020)

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual 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 & Wales requires the trustees 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Report of the Trustees for the year ended 30 June 2021

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on

and signed on their behalf by:



Hugh Kirk MBE FCCA
Trustee

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Independent Examiners' Report to the Trustees of The Charity Trust of the Rotary Club of London

I report on the accounts of The Charity Trust of the Rotary Club of London for the year ended 30 June 2021 which are set out on pages 7 to 13.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by Law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective Responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mercer & Hole
21 Lombard Street
London
EC3V 9AH


Helen Cain
FCA

13 January 2022

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Statement of Financial Activities for the Year Ended 30 June 2021

	Notes	Restricted Funds 2021 £	Unrestricted Funds 2021 £	2021 £	Restricted Funds 2020 £	Unrestricted Funds 2020 £	2020 £
Income from							
Donations and legacies	2	-	29,865	29,865	-	15,930	15,930
Investments	3	-	<u>7,582</u>	<u>7,582</u>	-	<u>8,892</u>	<u>8,892</u>
Total income		-	<u>37,447</u>	<u>37,447</u>	-	<u>24,822</u>	<u>24,822</u>
Expenditure on							
Charitable activities	5	-	45,450	45,450	-	33,450	33,450
Management and administration	4	-	<u>5,192</u>	<u>5,192</u>	-	<u>4,706</u>	<u>4,706</u>
Total expenditure		-	<u>50,642</u>	<u>50,642</u>	-	<u>38,156</u>	<u>38,156</u>
Net expenditure		-	<u>(13,195)</u>	<u>(13,195)</u>	-	<u>(13,334)</u>	<u>(13,334)</u>
Gain / (loss) on revaluation of investments		-	69,979	69,979	-	15,281	15,281
Gain / (loss) on disposal of investments	6	-	<u>10,396</u>	<u>10,396</u>	-	<u>10,296</u>	<u>10,296</u>
Net movement in funds		-	<u>67,180</u>	<u>67,180</u>	-	<u>12,243</u>	<u>12,243</u>
Reconciliation of funds:							
Total funds brought forward		-	<u>329,756</u>	<u>329,756</u>	-	<u>317,513</u>	<u>317,513</u>
Total funds carried forward		-	<u>396,936</u>	<u>396,936</u>	-	<u>329,756</u>	<u>329,756</u>

All income and expenditure are derived from continuing operations.

The notes on pages 9 to 13 form part of these Financial Statements.

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Balance Sheet at 30 June 2021

	<u>Notes</u>	2021 £	2020 £
Fixed assets			
Investments	6	385,677	320,384
Current assets			
Investments		7,556	9,877
Cash at bank		1,166	395
Debtors	7	<u>3,467</u>	<u>-</u>
		12,189	10,272
Creditors: amounts falling due within one year	8	<u>(930)</u>	<u>(900)</u>
Net current assets		<u>11,259</u>	<u>9,372</u>
Net assets		<u>396,936</u>	<u>329,756</u>
Total charity funds			
Unrestricted funds	9	396,936	329,756
Restricted funds	10	-	-
Total charity funds carried forward	11	<u>396,936</u>	<u>329,756</u>

Approved by the Trustees on 12.01.22 and signed on their behalf by:



Hugh Kirk MBE FCCA
Trustee

The notes on pages 9 to 13 form part of these Financial Statements.

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Notes to the Financial Statements for the Year Ended 30 June 2021

1. ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the Financial Statements are set out below.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102), The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011.

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity is exempt from the requirement to prepare such a statement under Update Bulletin 1, Charities SORP (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have therefore necessarily departed from the extant Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Statement of Recommended Practice: Accounting and Reporting by Charities effective from 1 April 2005, which has since been withdrawn.

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

b) Income

Donations

Donations are credited in the year in which they are received.

Investment Income

Income from investments is credited in the year in which it is received.

Interest receivable

Interest is credited in the year in which it is received.

c) Expenditure

Grants

Grants are accounted for in the year to which they relate.

Other costs

All other costs are accounted for on an accruals basis.

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

d) Fund accounting

The funds held by the charity are:

Unrestricted funds

Unrestricted funds are those funds that are spent in accordance with the charitable objects at the discretion of the trustees. Part of these funds can be designated to be used for a particular purpose in the future.

Restricted funds

Restricted funds are those funds that must be spent on a specific purpose.

e) Investments

Fixed asset investments are valued at market value, net of management fees, at 30 June 2021. Current asset investments are to be used by the charity on a continuing basis.

f) Unrealised gains and losses on investments

Unrealised gains and losses are accounted for on revaluation of investments at the balance sheet date.

2. Income from Donations and Legacies

	Restricted Funds £	Unrestricted Funds £	2021 £	Restricted Funds £	Unrestricted Funds £	2020 £
Charitable donations	-	29,865	29,865	-	15,930	15,930
Total	<u>-</u>	<u>29,865</u>	<u>29,865</u>	<u>-</u>	<u>15,930</u>	<u>15,930</u>

3. Investment Income

	Restricted Funds £	Unrestricted Funds £	2021 £	Restricted Funds £	Unrestricted Funds £	2020 £
Investments	<u>-</u>	<u>7,582</u>	<u>7,582</u>	<u>-</u>	<u>8,892</u>	<u>8,892</u>
	<u>-</u>	<u>7,582</u>	<u>7,582</u>	<u>-</u>	<u>8,892</u>	<u>8,892</u>

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

4. Allocation of Resources Expended

	Management and Administration £	Total 2021 £	Total 2020 £
Bank charges	146	146	60
Independent Examiners Fees	960	960	930
Investment Manager Fees	<u>4,086</u>	<u>4,086</u>	<u>3,716</u>
	<u>5,192</u>	<u>5,192</u>	<u>4,706</u>

No Trustee received any remuneration during the year or reimbursed expenses.

5. Expenditure on charitable activities – grants payable

	2021 £	2020 £
Unrestricted funds		
Imperial Health "St Mary's Paddington"	-	2,500
Beirut Hospital	5,000	-
Rotary Club of London Teddy	-	250
Christopher Children Hospice	500	3,500
Rotary Club of Kopundol, Kathmandu (HORAC)	7,000	1,000
Rotary Foundation	4,500	2,500
Chums	1,000	-
Kisharon	500	1,000
LifeLine4Kids	10,000	4,200
KidsOut	500	2,500
Rays of Sunshine	500	-
Noah's Ark Children's Hospice	10,000	2,500
Salvation Army	-	2,500
Women & Health	500	-
Latin American Women's Refuge	500	-
Princess Royal's Volunteer Corps	1,200	-
Alzheimer's UK	-	2,500
Silver Line	-	2,500
Brain Wave	500	2,500
Rainbow Trust	-	2,500
Crisis	250	-
India Covid Appeal	2,500	-
Roald Dahl's Marvellous Children Charity Crisis	<u>500</u>	<u>1,000</u>
	45,450	33,450
Total grants payable	<u>45,450</u>	<u>33,450</u>

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Notes to the Financial Statements for the Year Ended 30 June 2021

(continued)

6. Investments

	2021 £	2020 £
Market value at 1 July 2020	320,384	310,718
Additions	-	74,982
Disposals	(15,082)	(90,893)
Net (loss) / gain on disposal	10,396	10,296
Unrealised gains / (losses)	<u>69,979</u>	<u>15,281</u>
At 30 June 2021	<u>385,677</u>	<u>320,384</u>
Historical cost as at 30 June 2021	<u>233,249</u>	<u>234,943</u>
	2021 £	2020 £
Listed investments	268,045	178,034
Other non-listed investments	<u>117,632</u>	<u>142,350</u>

7. Debtors

	2021 £	2020 £
Other debtors	<u>3,467</u>	-
	<u>3,467</u>	-

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>930</u>	<u>900</u>
	<u>930</u>	<u>900</u>

9. Unrestricted Funds

Analysis of unrestricted funds – current year

	Balance at 1 July 2020 £	Incoming Resources £	Resources Expended £	Gain on Investment Revaluation /Disposals £	Balance At 30 June 2021 £
General fund	<u>329,756</u>	<u>37,447</u>	<u>(50,642)</u>	<u>80,375</u>	<u>396,936</u>

Analysis of unrestricted funds – prior year

	Balance at 1 July 2019 £	Incoming Resource s £	Resources Expended £	Gain on Investment Revaluation /Disposals £	Balance At 30 June 2020 £
	<u>317,513</u>	<u>24,822</u>	<u>(38,156)</u>	<u>25,577</u>	<u>329,756</u>

THE CHARITY TRUST OF THE ROTARY CLUB OF LONDON

Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

10. Restricted Funds

Analysis of restricted funds – current year

Balance at 1 July 2020	Incoming Resources	Resources Expended	Deficit on Investment Revaluation /Disposals	Balance At 30 June 2021
£	£	£	£	£
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Analysis of restricted funds – prior year

Balance at 1 July 2019	Incoming Resources	Resources Expended	Deficit on Investment Revaluation /Disposals	Balance At 30 June 2020
£	£	£	£	£
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

11. Analysis of Net Assets among Funds

	Restricted Funds £	Unrestricted Funds £	2021 £	Restricted Funds £	Unrestricted Funds £	2020 £
Fund balances are represented by:						
Investments	-	385,677	385,677	-	320,384	320,384
Net current assets	<u>-</u>	<u>11,259</u>	<u>11,259</u>	<u>-</u>	<u>9,372</u>	<u>9,372</u>
	<u>-</u>	<u>396,936</u>	<u>396,936</u>	<u>-</u>	<u>329,756</u>	<u>329,756</u>

12. Related parties

A grant was made to the Rotary Foundation during the year of £4,500 (2020: £2,500).