

# THE CITY OF LONDON ENDOWMENT TRUST FOR ST PAUL'S CATHEDRAL

England & Wales · Charity number 285023

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 1982-07-28

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Chapterhouse  
St. Paul's Churchyard  
London  
EC4M 8AD

**Phone** 02072468374

## Activities

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**Objects:** (1) FOR PAYMENT OF ALL COSTS AND EXPENSES IN CONNECTION WITH ST PAUL'S CATHEDRAL. (2) FOR PAYMENT OF COSTS AND EXPENSES IN CONNECTION WITH THE BUILDINGS AND ACCOMMODATION AT THE DEANERY AMEN COURT AND THE CHAPTER HOUSE PROVIDED FOR THE CLERGY AND LAY OFFICIALS SERVING ST PAUL'S CATHEDRAL. (3) FOR PAYMENT OF ALL COSTS AND EXPENSES IN CONNECTION WITH THE RUNNING OF ST PAUL'S CATHEDRAL CHOIR SCHOOL. (4) FOR PAYMENT OF STIPENDS AND EXPENSES OF THE CLERGY AND LAY OFFICIALS SERVING ST PAUL'S CATHEDRAL. (5) FOR PAYMENT OF COSTS AND EXPENSES IN CONNECTION WITH THE PROVISION OF MUSIC FOR ST PAUL'S CATHEDRAL. (6) FOR PAYMENT OF WAGES FOR THE VERGERS AND ALL OTHER STAFF EMPLOYED THEREIN. (7) FOR THE PRESERVATION MAINTENANCE AND IMPROVEMENT OF THE FABRIC OF ST PAUL'S CATHEDRAL. (8) GENERAL CHARITABLE PURPOSES.

**Activities:** To make annual grants to St Paul's Cathedral

## Classification

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- **How:** Makes Grants To Organisations
- **What:** Religious Activities
- **Who:** The General Public/mankind

## Geography

- City Of London

## Finances

| Period end | Income   | Expenditure | Assets | Employees |
|------------|----------|-------------|--------|-----------|
| 2024-12-31 | £340,284 | £363,224    | -      | -         |
| 2023-12-31 | £343,562 | £344,849    | -      | -         |
| 2022-12-31 | £326,714 | £317,668    | -      | -         |
| 2021-12-31 | £308,020 | £568,915    | -      | -         |
| 2020-12-31 | £212,305 | £257,708    | -      | -         |

## Trustees

| Name                         | Role | Appointed  |
|------------------------------|------|------------|
| DAVID BARNETT                |      |            |
| DAVINA JANE WALTER           |      | 2015-04-21 |
| Dominic Peter Corti Emmerson |      | 2023-11-21 |
| JOSEPH GURNEY BARCLAY        |      | 2013-07-01 |
| Luke Arthur Ponsonby         |      | 2016-04-26 |
| Richard William James Parry  |      | 2012-06-25 |

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# Accounts

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# **City of London Endowment Trust for St. Paul's Cathedral**

Reports and Financial Statements

For the year ended 31 December 2024

Charity registration number 285023

# City of London Endowment Trust for St. Paul's Cathedral

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# City of London Endowment Trust for St. Paul's Cathedral

## Trust Information

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**Charity registration number** 285023

**Registered address** The Chapter House  
St. Paul's Churchyard  
London  
EC4M 8AD

**Honorary President** The Right Honourable the Lord Mayor of London

**Trustees** R W J Parry – Chairman  
J G Barclay – Treasurer  
U D Barnett  
D Emmerson  
L A Ponsonby  
D J Walter

**Fund Managers** Rathbones Wealth & Investment Management  
30 Gresham Street, London EC2V 7QN  
  
Sarasin & Partners  
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

**Bankers** Lloyds Bank – Cheapside

**Independent auditor** Forvis Mazars LLP  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Introduction

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2024.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 SORP) effective from 1 January 2019, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Structure, governance and management

The Trust was formed under the terms set out in the Deed of Trust dated 5 May 1982. Control over policy is vested in the Trustees. New Trustees are appointed by a majority vote of existing Trustees.

### Trustees

The Trustees who have held office during 2024 to the date of this report are noted on page 1.

The Trustees meet formally at least twice a year. At these meetings, representatives of the Fund Managers attend to review the Trust's investments. From time to time, individual Trustees are appointed to ad hoc committees to carry out specific tasks for the Trustees. All policy decisions are taken by the Trustees.

### Appointment of Trustees

There shall be at least three Trustees and not more than nine, and the power of appointing new or additional Trustees shall be vested in the serving Trustees. Any serving Trustee may nominate a prospective Trustee who will be interviewed prior to appointment. When interviewed, the prospective Trustee will be apprised of the objectives and working of the Trust and Trustees will be selected for their knowledge and experience, particularly of investment and charitable matters. To date, Trustees have not felt the need to attend formal training courses relating to the duties and responsibilities of Trustees because of their existing experience.

### Principal Risks

The Trustees review at least annually the risk analysis register identifying the risks to which the Trust is exposed and have taken steps to mitigate these risks wherever possible. The major risks identified relate to investment house fraud or failure, and an investment manager failing to recognise market changes or performing badly. These risks have been mitigated by dividing funds between two portfolios, holding at least two Trustee meetings each year attended by the investment managers, and by distributing investment managers' reports at least quarterly. The risk of cyber-attack has also been identified and the fund managers have provided a statement of their controls in this area.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Objectives and activities

The Trust was established in order to endow the Cathedral Church of St. Paul in London (the "Cathedral") by raising a Trust Fund from the City of London.

The objects of the Trust, as set out in the Deed of Trust dated 5 May 1982 are:

- for payment of costs and expenses in connection with St. Paul's
- for payment of costs and expenses in connection with the buildings and accommodation at the Deanery, Amen Court and the Chapter House provided for the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the running of St. Paul's Cathedral Choir School
- for payment of stipends and expenses of the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the provision of music for St. Paul's Cathedral
- for payment of wages for the vergers and all other staff employed therein
- for the preservation, maintenance and improvement of the Fabric of St. Paul's Cathedral
- for general charitable purposes.

Annual income from this Trust Fund – and, at the discretion of the Trustees, some or all of its capital – is available to assist St. Paul's to continue its essential work and meet the running expenses of its day to day activities.

The objective of the Trustees is to make grants to St. Paul's Cathedral in accordance with these objectives and under the Investment and Distribution Policy set out below.

### Investment and Distribution Policy

The financial objective of COLET is at least to maintain the real value of the Trust's assets whilst generating a stable and sustainable return to fund grants to St. Paul's Cathedral. Since 2020, the Trust's investments have been invested in two investment funds: the Sarasin Endowments Fund and the Rathbone Active Income & Growth Fund.

The Trustees meet at least twice a year to review the portfolio, including an analysis of return, risk and asset allocation. Performance is monitored against agreed market benchmarks and against the investment objective of CPI plus 4% over the long term. The investment managers (Sarasin & Partners and Rathbone Brothers) are required to present to the Trustees at these meetings. The Trustees believe that all investments held or acquired during the year comply with the investment powers as described in the Trust deed.

The Trust's Investment and Distribution Policy sets a minimum level of distributions, currently at least 3% annually. This is reviewed annually.

### Achievements and performance

For the year-ended 31 December 2024, the return (including investment income) achieved by the Trust's investments was approximately 9.8% (2023: 7.8%). In the same period, for the 12 months to December 2024, the UK Consumer Prices Index (CPI) rose by 2.5%.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Financial review

A full breakdown of income and expenditure is set out on page 10 of the accounts.

Grants to St. Paul's Cathedral are made from unrestricted funds, which have been established from general reserves and the investment income from the Trust's investments. In addition to this, the Trustees also administer the Bill Miller Fund, which was set-up to support an organ scholar at the Cathedral.

The Trust's investment portfolio as a whole gave a return of approximately 9.8% (2023: 7.8%) over the year and the Trust recorded an investment gain of £747,954 (2023: investment gain of £493,361). This performance reflected the conditions in the financial markets and the performance of the two funds that the Trust is invested in.

The Trust's total income in 2024 was £340,284 (2023: £343,562). Total expenditure was £363,224 (2023: £344,849), which included a grant of £338,817 to St. Paul's Cathedral for general purposes (2023: £320,529) and £6,446 towards the organ scholar costs (2023: £6,000). Net expenditure before investment gains and losses was £22,940 (2023: £1,287).

Realised investment gains were £1,870 (2023: realised gains of £916) and revaluation gains were £746,084 (2023: £492,445).

As at 31 December 2024 the net assets of the Trust totalled £11,847,421. This compares with a total at the previous year end of £11,122,407.

### Reserves Policy

The Trustees aim to maintain sufficient unrestricted reserves to be able to continue appropriate support to St. Paul's in periods of fluctuations in the Trust's income.

### Plans for future and post balance sheet events

The Trust's Investment and Distribution Policy sets a minimum level of distributions, currently at least 3% annually (to be reviewed each year). This policy will be used by the Trustees in determining future annual grants to St Paul's Cathedral.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Statement of Trustees' responsibilities

Law applicable to Charities in England and 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 Trust at the end of the financial year, and of its income and expenditure for the financial year. In preparing those 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 and Statements of Recommended Practice 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 in existence.

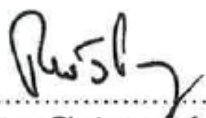
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities SORP (FRS 102). They are also responsible 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 have complied with their duty per the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

### Auditors

Forvis Mazars LLP has signified its willingness to continue in office, and a resolution proposing their re-appointment as auditors will be put to the next Trustees meeting.

Approved by the Trustees on 12 May 2025 and signed on their behalf by:



.....  
Mr R W J Parry, Chairman of the Trustees



.....  
Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Opinion**

We have audited the financial statements of City of London Endowment Trust for St. Paul's Cathedral (the 'charity') for the year ended 31 December 2024 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 FRS 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 charity's affairs as at 31 December 2024 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 5, 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 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 financial statements**

We have been appointed as auditor under section 144 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 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

# City of London Endowment Trust for St. Paul's Cathedral

## Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements 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.

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Use of the audit report**

This report is made solely to the charity'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 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.

*Forvis Mazars LLP*

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 25 July 2025

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# City of London Endowment Trust for St. Paul's Cathedral

## Statement of Financial Activities for the Year Ended 31 December 2024

|                                                         | Notes       | Unrestricted Funds | Restricted Funds | Total Funds 2024  | Total Funds 2023  |
|---------------------------------------------------------|-------------|--------------------|------------------|-------------------|-------------------|
|                                                         |             | £                  | £                | £                 | £                 |
| <b>Income from:</b>                                     |             |                    |                  |                   |                   |
| Investments                                             |             | 332,220            | 8,064            | 340,284           | 343,562           |
| <b>Total income</b>                                     |             | <b>332,220</b>     | <b>8,064</b>     | <b>340,284</b>    | <b>343,562</b>    |
| <b>Expenditure on:</b>                                  |             |                    |                  |                   |                   |
| <b>Raising Funds</b>                                    |             |                    |                  |                   |                   |
| Investment Management Charges                           | 2           | 7,590              | 184              | 7,774             | 8,494             |
| <b>Charitable activities</b>                            |             |                    |                  |                   |                   |
| Grants to St. Paul's Cathedral                          | 2           | 338,817            | -                | 338,817           | 320,529           |
| Organ Scholar Grant to St. Paul's Cathedral             | 2, 6        | -                  | 6,446            | 6,446             | 6,000             |
| Governance                                              | 2           | 10,187             | -                | 10,187            | 9,826             |
| <b>Total expenditure</b>                                |             | <b>356,594</b>     | <b>6,630</b>     | <b>363,224</b>    | <b>344,849</b>    |
| <b>Net (expenditure)/income before Investment Gains</b> |             | <b>(24,374)</b>    | <b>1,434</b>     | <b>(22,940)</b>   | <b>(1,287)</b>    |
| <b>Gains on Investment Assets</b>                       |             |                    |                  |                   |                   |
| Realised Gains                                          | 3           | 1,826              | 44               | 1,870             | 916               |
| Unrealised Gains                                        | 3           | 728,403            | 17,681           | 746,084           | 492,445           |
| <b>Net income</b>                                       |             | <b>705,855</b>     | <b>19,159</b>    | <b>725,014</b>    | <b>492,074</b>    |
| Transfers                                               |             | (48,704)           | 48,704           | -                 | -                 |
| <b>Net Movement in Funds</b>                            |             | <b>657,151</b>     | <b>67,863</b>    | <b>725,014</b>    | <b>492,074</b>    |
| Fund Balances Brought Forward                           | 5, 6        | 10,907,529         | 214,878          | 11,122,407        | 10,630,333        |
| <b>Fund Balances Carried Forward</b>                    | <b>5, 6</b> | <b>11,564,680</b>  | <b>282,741</b>   | <b>11,847,421</b> | <b>11,122,407</b> |

Income and expenditure all relate to continuing operations. The Trust has no gains or losses other than those included above.

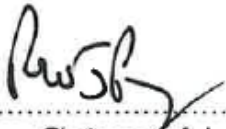
The Statement of Financial Activities for 2023 is included at Note 10 on page 17.

# City of London Endowment Trust for St. Paul's Cathedral

## Balance Sheet as at 31 December 2024

|                                                | Notes | 2024<br>£         | 2023<br>£         |
|------------------------------------------------|-------|-------------------|-------------------|
| <b>Fixed Assets</b>                            |       |                   |                   |
| Investments                                    | 3     | 11,841,270        | 11,101,481        |
| <b>Current Assets</b>                          |       |                   |                   |
| Balance at Bank                                |       | 17,708            | 32,524            |
| <b>Liabilities</b>                             |       |                   |                   |
| Creditors: Amounts falling due within one year | 4     | (11,557)          | (11,598)          |
| <b>Net Current Assets</b>                      |       | 6,151             | 20,926            |
| <b>Net assets</b>                              |       | <u>11,847,421</u> | <u>11,122,407</u> |
| <b>Represented by:</b>                         |       |                   |                   |
| Unrestricted Funds                             | 5     | 11,564,680        | 10,907,529        |
| Restricted Funds                               | 6     | 282,741           | 214,878           |
|                                                |       | <u>11,847,421</u> | <u>11,122,407</u> |

Approved by the Trustees on 12 May 2025 and signed on their behalf by:

  
 Mr R W J Parry, Chairman of the Trustees

  
 Mr J G Barclay, Treasurer

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

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### **I. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2019) (Charities SORP (FRS102)) and the Charities Act 2011. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

These financial statements have been prepared on the going concern basis. The Charity has significant net assets, and the Trustees consider that there are no material uncertainties that will impact the Charity's ability to continue as a going concern.

#### **Donations and similar income**

All donations and similar income are credited directly to Unrestricted Funds. The exceptions to this are when donations are given for particular restricted purposes.

#### **Investment income**

Income and distributions from dividends and investments is accounted for on a receivable basis.

#### **Grants payable**

Grants are included when the recipient has been notified of the award. Unpaid grants at the year-end are accrued.

#### **Governance costs**

These represent costs incurred in the management of the Trust, its organisational administration and compliance with constitutional and statutory requirements.

#### **Investment management charges**

Investment management charges are charged directly to the Statement of Financial Activities.

#### **Investments**

Investments are shown in the balance sheet at market value. Surpluses and deficits on revaluations and disposals of investments are taken directly to the Statement of Financial Activities.

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

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### Fund accounting

**Unrestricted funds:** These are funds which can be used in accordance with the Trust's objects at the discretion of the Trustees.

**Designated funds:** These are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. There were no designated funds at 31 December 2024 (2023: £nil).

**Restricted funds:** These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### 2. Expenditure

|                                                      | 2024<br>£      | 2023<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>Raising Funds</b>                                 |                |                |
| Investment Management Charges to Investment Managers | 7,774          | 8,494          |
| <b>Charitable activities</b>                         |                |                |
| Annual grant to support St. Paul's Cathedral         | 338,817        | 320,529        |
| Organ Scholar grant to St. Paul's Cathedral          | 6,446          | 6,000          |
| <b>Governance</b>                                    |                |                |
| Audit Fee – Current year                             | 9,720          | 9,360          |
| Audit Fee – Prior years                              | 182            | 277            |
| Administrative Costs (including bank charges)        | 285            | 189            |
| <b>Total Expenditure</b>                             | <b>363,224</b> | <b>344,849</b> |

The Trust's investments are held in two investment funds: the Sarasin Endowments Fund Class A Inc and Rathbone Unit Trust Mgmt Active Income & Growth Inc. The majority of the Trust's investment costs and charges, are charged as deductions within the funds, with the costs being reflected in the unit price of the funds, calculated daily. These deductions within funds totalled £74,181 in the year (2023: £71,135) and are reflected in investment gains and losses in the year and are not included in the Investment Management Charges of £7,444 (2023: £8,494).

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

### 3. Investments

|                                     | 2024<br>£  | 2023<br>£  |
|-------------------------------------|------------|------------|
| Market Value at 1 January           | 11,101,481 | 10,616,555 |
| Less: Disposals                     | (15,052)   | (11,457)   |
| Add: Acquisitions at Cost           | 4,438      | 3,067      |
| Realised Gains                      | 1,870      | 916        |
| Unrealised Gains/(Losses)           | 746,084    | 492,445    |
| Movement on Portfolio cash balances | 2,449      | (45)       |
| Market Value at 31 December         | 11,841,270 | 11,101,481 |

As at 31 December 2024 the investments were held in the following two funds.

| 2024                                                 | Holding      | Price | 2024<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,393,057.16 | £1.28 | 5,645,078  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,269,492.62 | £1.45 | 6,192,897  |
| Cash                                                 |              |       | 3,295      |
| Market Value at 31 December                          |              |       | 11,841,270 |
| Historical Cost at 31 December                       |              |       | 10,225,817 |

| 2023                                                 | Holding      | Price | 2023<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,391,825.77 | £1.18 | 5,195,530  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,278,138.62 | £1.38 | 5,905,115  |
| Cash                                                 |              |       | 836        |
| Market Value at 31 December                          |              |       | 11,101,481 |
| Historical Cost at 31 December                       |              |       | 10,232,102 |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

### 4. Creditors - Amounts falling due within one year

|                            | 2024          | 2023          |
|----------------------------|---------------|---------------|
|                            | £             | £             |
| St. Paul's Cathedral       | 50            | 50            |
| Audit and Accountancy Fees | 9,720         | 9,360         |
| Portfolio Management Fees  | 1,787         | 2,188         |
|                            | <b>11,557</b> | <b>11,598</b> |

### 5. Unrestricted funds

The Trust was established in order to endow the Cathedral Church of St. Paul in London by raising a Trust Fund from the City of London. Both income from the Trust Fund and the capital of the Trust Fund are available, at the discretion of the Trustees, to support St. Paul's in continuing its essential work, within the objects of the Trust.

In the past, the funds of the Trust have included designated funds set aside out of general unrestricted funds for specific purposes. There are currently no funds set aside to designated funds.

### 6. Restricted funds

The funds of the Trust include one restricted fund, the Bill Miller Fund, comprising the unexpended balance of donations and grants held on trust, to be applied towards the cost of a Cathedral organ scholar. The fund was established with a £200,000 donation from Bill Miller, a former Trustee of the Cathedral's American fundraising trust. A revaluation adjustment of £48,704 has been made in 2024 to ensure that the value of the fund reflects the overall growth in the investment portfolio since the funds were first received by COLET in 2011, taking into account distributions made by the Trust in subsequent years.

|                                        | Bill Miller Fund | Bill Miller Fund |
|----------------------------------------|------------------|------------------|
|                                        | 2024             | 2023             |
|                                        | £                | £                |
| Balance at 1 January                   | 214,878          | 204,757          |
| Revaluation adjustment – Fund transfer | 48,704           | -                |
| Income                                 | 8,064            | 6,618            |
| Expenditure                            | (6,446)          | (6,000)          |
| Net Investment Gains                   | 17,541           | 9,503            |
| <b>Balance at 31 December</b>          | <b>282,741</b>   | <b>214,878</b>   |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

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### 7. Analysis of net assets

| 2024        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Funds<br>2024<br>£ |
|-------------|----------------------------|--------------------------|--------------------|
| Investments | 11,558,529                 | 282,741                  | 11,841,270         |
| Cash        | 17,708                     | -                        | 17,708             |
| Creditors   | (11,557)                   | -                        | (11,557)           |
|             | <u>11,564,680</u>          | <u>282,741</u>           | <u>11,847,421</u>  |

| 2023        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Funds<br>2023<br>£ |
|-------------|----------------------------|--------------------------|--------------------|
| Investments | 10,886,603                 | 214,878                  | 11,101,481         |
| Cash        | 32,524                     | -                        | 32,524             |
| Creditors   | (11,598)                   | -                        | (11,598)           |
|             | <u>10,907,529</u>          | <u>214,878</u>           | <u>11,122,407</u>  |

### 8. Trustees

None of the Trustees received any remuneration or reimbursement of expenses for the year (2023: £nil).

### 9. Related Party Transactions

There were no related party transactions in the year (2023: £nil)

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2024

### 10. Statement of financial activities for the year ended 31 December 2023

|                                                         | Notes       | Unrestricted Funds | Restricted Funds | Total Funds 2023  |
|---------------------------------------------------------|-------------|--------------------|------------------|-------------------|
|                                                         |             | £                  | £                | £                 |
| <b>Income from:</b>                                     |             |                    |                  |                   |
| Investments                                             |             | 336,944            | 6,618            | 343,562           |
| <b>Total income</b>                                     |             | <b>336,944</b>     | <b>6,618</b>     | <b>343,562</b>    |
| <b>Expenditure on:</b>                                  |             |                    |                  |                   |
| <b>Raising Funds</b>                                    |             |                    |                  |                   |
| Investment Management Charges                           | 2           | 8,494              | -                | 8,494             |
| <b>Charitable activities</b>                            |             |                    |                  |                   |
| Grants to St. Paul's Cathedral                          | 2           | 320,529            | -                | 320,529           |
| Organ Scholar Grant to St. Paul's Cathedral             | 2, 6        | -                  | 6,000            | 6,000             |
| Governance                                              | 2           | 9,826              | -                | 9,826             |
| <b>Total expenditure</b>                                |             | <b>338,849</b>     | <b>6,000</b>     | <b>344,849</b>    |
| <b>Net (expenditure)/income before Investment Gains</b> |             | <b>(1,905)</b>     | <b>618</b>       | <b>(1,287)</b>    |
| <b>Gains on Investment Assets</b>                       |             |                    |                  |                   |
| Realised Gains                                          | 3           | 898                | 18               | 916               |
| Unrealised Gains                                        | 3           | 482,960            | 9,485            | 492,445           |
| <b>Net income</b>                                       |             | <b>481,953</b>     | <b>10,121</b>    | <b>492,074</b>    |
| Transfers                                               |             | -                  | -                | -                 |
| <b>Net Movement in Funds</b>                            |             | <b>481,953</b>     | <b>10,121</b>    | <b>492,074</b>    |
| Fund Balances Brought Forward                           | 5, 6        | 10,425,576         | 204,757          | 10,630,333        |
| <b>Fund Balances Carried Forward</b>                    | <b>5, 6</b> | <b>10,907,529</b>  | <b>214,878</b>   | <b>11,122,407</b> |

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# Accounts

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# **City of London Endowment Trust for St. Paul's Cathedral**

Reports and Financial Statements

For the year ended 31 December 2023

Charity registration number 285023

# City of London Endowment Trust for St. Paul's Cathedral

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# City of London Endowment Trust for St. Paul's Cathedral

## Trust Information

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**Charity registration number**    285023

**Registered address**                The Chapter House  
St. Paul's Churchyard  
London  
EC4M 8AD

**President**                                The Right Honourable the Lord Mayor of London

**Trustees**                                R W J Parry – Chairman  
J G Barclay – Treasurer  
U D Barnett  
D Emmerson (appointed 21 November 2023)  
L A Ponsonby  
D J Walter

**Fund Managers**                      Rathbone Brothers PLC  
8, Finsbury Circus, London EC2M 7AZ  
  
Sarasin & Partners  
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

**Bankers**                                Lloyds Bank – Cheapside

**Independent auditor**                Forvis Mazars LLP  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Introduction

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2023.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 SORP) effective from 1 January 2019, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Structure, governance and management

The Trust was formed under the terms set out in the Deed of Trust dated 5 May 1982. Control over policy is vested in the Trustees. New Trustees are appointed by a majority vote of existing Trustees.

### Trustees

The Trustees who have held office during 2023 to the date of this report are noted on page 1.

The Trustees meet formally at least twice a year. At these meetings, representatives of the Fund Managers attend to review the Trust's investments. From time to time, individual Trustees are appointed to ad hoc committees to carry out specific tasks for the Trustees. All policy decisions are taken by the Trustees.

### Appointment of Trustees

There shall be at least three Trustees and not more than nine, and the power of appointing new or additional Trustees shall be vested in the serving Trustees. Any serving Trustee may nominate a prospective Trustee who will be interviewed prior to appointment. When interviewed, the prospective Trustee will be apprised of the objectives and working of the Trust and Trustees will be selected for their knowledge and experience, particularly of investment and charitable matters. To date, Trustees have not felt the need to attend formal training courses relating to the duties and responsibilities of Trustees because of their existing experience.

### Principal Risks

The Trustees review at least annually the risk analysis register identifying the risks to which the Trust is exposed and have taken steps to mitigate these risks wherever possible. The major risks identified relate to investment house fraud or failure, and an investment manager failing to recognise market changes or performing badly. These risks have been mitigated by dividing funds between two portfolios, holding at least two Trustee meetings each year attended by the investment managers, and by distributing investment managers' reports at least quarterly. The risk of cyber-attack has also been identified and the fund managers have provided a statement of their controls in this area.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

---

### Objectives and activities

The Trust was established in order to endow the Cathedral Church of St. Paul in London (the "Cathedral") by raising a Trust Fund from the City of London.

The objects of the Trust, as set out in the Deed of Trust dated 5 May 1982 are:

- for payment of costs and expenses in connection with St. Paul's
- for payment of costs and expenses in connection with the buildings and accommodation at the Deanery, Amen Court and the Chapter House provided for the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the running of St. Paul's Cathedral Choir School
- for payment of stipends and expenses of the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the provision of music for St. Paul's Cathedral
- for payment of wages for the vergers and all other staff employed therein
- for the preservation, maintenance and improvement of the Fabric of St. Paul's Cathedral
- for general charitable purposes.

Annual income from this Trust Fund – and, at the discretion of the Trustees, some or all of its capital – is available to assist St. Paul's to continue its essential work and meet the running expenses of its day to day activities.

The objective of the Trustees is to make grants to St. Paul's Cathedral in accordance with these objectives and under the Investment and Distribution Policy set out below.

### Investment and Distribution Policy

The financial objective of COLET is at least to maintain the real value of the Trust's assets whilst generating a stable and sustainable return to fund grants to St. Paul's Cathedral. Since 2020, the Trust's investments have been invested in two investment funds: the Sarasin Endowments Fund and the Rathbone Active Income & Growth Fund.

The Trustees meet at least twice a year to review the portfolio, including an analysis of return, risk and asset allocation. Performance is monitored against agreed market benchmarks and against the investment objective of CPI plus 4% over the long term. The investment managers (Sarasin & Partners and Rathbone Brothers) are required to present to the Trustees at these meetings. The Trustees believe that all investments held or acquired during the year comply with the investment powers as described in the Trust deed.

In May 2023, the Trust's Investment and Distribution Policy was updated to set a minimum level of distributions. Under the updated policy, the Trustees' agreed a distribution yield of at least 3% annually (to be reviewed each year).

### Achievements and performance

For the year-ended 31 December 2023, the return achieved by the Trust's investments was approximately 7.8% (2022: -9.0%). In the same period, for the 12 months to December 2023, the UK Consumer Prices Index (CPI) rose by 4.0%. As at 9 May 2024, the Bank of England's CPI target remains at 2.0% and the latest UK Office of Budget Responsibility forecast (March 2024) predicts that inflation will fall to 2.2% by the end of 2024 and fall below 2.0% in 2025. Even if these predictions turn out to be optimistic, the Trustees consider it remains appropriate to target growth at above the level of inflation in the long term.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Financial review

A full breakdown of income and expenditure is set out on page 10 of the accounts.

Grants to St. Paul's Cathedral are made from unrestricted funds, which have been established from general reserves and the investment income from the Trust's investments. In addition to this, the Trustees also administer the Bill Miller Fund, which was set-up to support an organ scholar at the Cathedral.

The Trust's investment portfolio as a whole gave a return of approximately 7.8% (2022 -9.0%) over the year and the Trust recorded a net investment gain of £493,361 (2022: net investment loss of £1,392,850). This performance reflected the conditions in the financial markets (the FTSE All Share was up 7.9%) and the performance of the two funds that the Trust is invested in.

The Trust's total income in 2023 was £343,562 (2022 - £326,714). Total expenditure was £344,849 (2022 - £317,668), which included a grant of £320,529 to St. Paul's Cathedral for general purposes (2022 - £294,000) and £6,000 towards the organ scholar costs (2022 - £6,000). Net expenditure before investment gains and losses was £1,287 (2022 – net income of £9,046).

Realised investment gains were £916 (2022 – realised gains of £1,235) and revaluation gains were £492,445 (2022 losses of £1,394,085).

As at 31 December 2023 the net assets of the Trust totalled £11,122,407. This compares with a total at the previous year end of £10,630,333.

### Reserves Policy

The Trustees aim to maintain sufficient unrestricted reserves to be able to continue appropriate support to St. Paul's in periods of fluctuations in the Trust's income.

### Plans for future and post balance sheet events

The Trust's Investment and Distribution Policy was updated in May 2023 to set a minimum level of distributions or at least 3% annually (to be reviewed each year). This policy will be used by the Trustees in determining future annual grants to St Paul's Cathedral.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Statement of Trustees' responsibilities

Law applicable to Charities in England and 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 Trust at the end of the financial year, and of its income and expenditure for the financial year. In preparing those 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 and Statements of Recommended Practice 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 in existence.

The Trustees are responsible for maintaining proper accounting records which 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 and the Charities SORP (FRS 102). 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 have complied with their duty per the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

### Auditors

Forvis Mazars LLP has signified its willingness to continue in office, and a resolution proposing their re-appointment as auditors will be put to the next Trustees meeting.

Approved by the Trustees on 9 May 2024 and signed on their behalf by:



.....  
Mr R W J Parry, Chairman of the Trustees



.....  
Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Opinion**

We have audited the financial statements of City of London Endowment Trust for St. Paul's Cathedral (the 'charity') for the year ended 31 December 2023 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 FRS 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 charity's affairs as at 31 December 2023 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 5, 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 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 financial statements**

We have been appointed as auditor under section 144 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 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

# City of London Endowment Trust for St. Paul's Cathedral

## Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements 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.

# City of London Endowment Trust for St. Paul's Cathedral

## Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral

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### Use of the audit report

This report is made solely to the charity'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 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.

Forvis Mazars LLP

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS  
Date: 6 August 2024

Forvis Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# City of London Endowment Trust for St. Paul's Cathedral

## Statement of Financial Activities for the Year Ended 31 December 2023

|                                                         | Notes       | Unrestricted Funds | Restricted Funds | Total Funds 2023  | Total Funds 2022   |
|---------------------------------------------------------|-------------|--------------------|------------------|-------------------|--------------------|
|                                                         |             | £                  | £                | £                 | £                  |
| <b>Income from:</b>                                     |             |                    |                  |                   |                    |
| Investments                                             |             | 336,944            | 6,618            | 343,562           | 326,714            |
| <b>Total income</b>                                     |             | <b>336,944</b>     | <b>6,618</b>     | <b>343,562</b>    | <b>326,714</b>     |
| <b>Expenditure on:</b>                                  |             |                    |                  |                   |                    |
| <b>Raising Funds</b>                                    |             |                    |                  |                   |                    |
| Investment Management Charges                           | 2           | 8,494              | -                | 8,494             | 8,218              |
| <b>Charitable activities</b>                            |             |                    |                  |                   |                    |
| Grants to St. Paul's Cathedral                          | 2           | 320,529            | -                | 320,529           | 294,000            |
| Organ Scholar Grant to St. Paul's Cathedral             | 2, 6        | -                  | 6,000            | 6,000             | 6,000              |
| Governance                                              | 2           | 9,826              | -                | 9,826             | 9,450              |
| <b>Total expenditure</b>                                |             | <b>338,849</b>     | <b>6,000</b>     | <b>344,849</b>    | <b>317,668</b>     |
| <b>Net (expenditure)/income before Investment Gains</b> |             | <b>(1,905)</b>     | <b>618</b>       | <b>(1,287)</b>    | <b>9,046</b>       |
| <b>Gains on Investment Assets</b>                       |             |                    |                  |                   |                    |
| Realised Gains                                          | 3           | 898                | 18               | 916               | 1,235              |
| Unrealised Gains/(Losses)                               | 3           | 482,960            | 9,485            | 492,445           | (1,394,085)        |
| <b>Net income/(expenditure)</b>                         |             | <b>481,953</b>     | <b>10,121</b>    | <b>492,074</b>    | <b>(1,383,804)</b> |
| Transfers                                               |             | -                  | -                | -                 | -                  |
| <b>Net Movement in Funds</b>                            |             | <b>481,953</b>     | <b>10,121</b>    | <b>492,074</b>    | <b>(1,383,804)</b> |
| Fund Balances Brought Forward                           | 5, 6        | 10,425,576         | 204,757          | 10,630,333        | 12,014,137         |
| <b>Fund Balances Carried Forward</b>                    | <b>5, 6</b> | <b>10,907,529</b>  | <b>214,878</b>   | <b>11,122,407</b> | <b>10,630,333</b>  |

Income and expenditure all relate to continuing operations. The Trust has no gains or losses other than those included above.

The Statement of Financial Activities for 2022 is included at Note 10 on page 17.

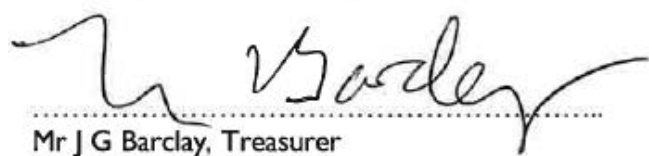
# City of London Endowment Trust for St. Paul's Cathedral

## Balance Sheet as at 31 December 2023

|                                                | Notes | 2023<br>£         | 2022<br>£         |
|------------------------------------------------|-------|-------------------|-------------------|
| <b>Fixed Assets</b>                            |       |                   |                   |
| Investments                                    | 3     | 11,101,481        | 10,616,555        |
| <b>Current Assets</b>                          |       |                   |                   |
| Balance at Bank                                |       | 32,524            | 335,749           |
|                                                |       | <u>32,524</u>     | <u>335,749</u>    |
| <b>Liabilities</b>                             |       |                   |                   |
| Creditors: Amounts falling due within one year | 4     | <u>(11,598)</u>   | <u>(321,971)</u>  |
| <b>Net Current Assets</b>                      |       | 20,926            | 13,778            |
| <b>Net assets</b>                              |       | <u>11,122,407</u> | <u>10,630,333</u> |
| <b>Represented by:</b>                         |       |                   |                   |
| Unrestricted Funds                             | 5     | 10,907,529        | 10,425,576        |
| Restricted Funds                               | 6     | 214,878           | 204,757           |
|                                                |       | <u>11,122,407</u> | <u>10,630,333</u> |

Approved by the Trustees on 9 May 2024 and signed on their behalf by:

  
 .....  
 Mr R W J Parry, Chairman of the Trustees

  
 .....  
 Mr J G Barclay, Treasurer

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

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### **I. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2019) – (Charities SORP (FRS102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

These financial statements have been prepared on the going concern basis. The Charity has significant net assets, and the Trustees consider that there are no material uncertainties that will impact the Charity's ability to continue as a going concern.

#### **Donations and similar income**

All donations and similar income are credited directly to Unrestricted Funds. The exceptions to this are when donations are given for particular restricted purposes.

#### **Investment income**

Income and distributions from dividends and investments is accounted for on a receivable basis.

#### **Grants payable**

Grants are included when the recipient has been notified of the award. Unpaid grants at the year-end are accrued.

#### **Governance costs**

These represent costs incurred in the management of the Trust, its organisational administration and compliance with constitutional and statutory requirements.

#### **Investment management charges**

Investment management charges are charged directly to the Statement of Financial Activities.

#### **Investments**

Investments are shown in the balance sheet at market value. Surpluses and deficits on revaluations and disposals of investments are taken directly to the Statement of Financial Activities.

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

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### Fund accounting

**Unrestricted funds:** These are funds which can be used in accordance with the Trust's objects at the discretion of the Trustees.

**Designated funds:** These are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. There were no designated funds at 31 December 2023 (2022: £nil).

**Restricted funds:** These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### 2. Expenditure

|                                                      | 2023<br>£      | 2022<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>Raising Funds</b>                                 |                |                |
| Investment Management Charges to Investment Managers | 8,494          | 8,218          |
| <b>Charitable activities</b>                         |                |                |
| Annual grant to support St. Paul's Cathedral         | 320,529        | 294,000        |
| Organ Scholar grant to St. Paul's Cathedral          | 6,000          | 6,000          |
| <b>Governance</b>                                    |                |                |
| Audit Fee – Current year                             | 9,360          | 8,910          |
| Audit Fee – Prior years                              | 277            | 271            |
| Administrative Costs (including bank charges)        | 189            | 269            |
| <b>Total Expenditure</b>                             | <b>344,849</b> | <b>317,668</b> |

The Trust's investments are held in two investment funds: the Sarasin Endowments Fund Class A Inc and Rathbone Unit Trust Mgmt Active Income & Growth Inc. The majority of the Trust's investment costs and charges, are charged as deductions within the funds, with the costs being reflected in the unit price of the funds, calculated daily. These deductions within funds totalled £71,135 in the year (2022: £76,589) and are reflected in investment gains and losses in the year and are not included in the Investment Management Charges of £8,494 (2022: £8,218).

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

### 3. Investments

|                                     | 2023<br>£  | 2022<br>£   |
|-------------------------------------|------------|-------------|
| Market Value at 1 January           | 10,616,555 | 12,017,482  |
| Less: Disposals                     | (11,457)   | (12,008)    |
| Add: Acquisitions at Cost           | 3,067      | 3,061       |
| Realised Gains                      | 916        | 1,235       |
| Unrealised Gains/(Losses)           | 492,445    | (1,394,085) |
| Movement on Portfolio cash balances | (45)       | 870         |
| Market Value at 31 December         | 11,101,481 | 10,616,555  |

As at 31 December 2023 the investments were held in the following two funds.

| 2023                                                 | Holding      | Price | 2023<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,391,825.77 | £1.18 | 5,195,530  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,278,138.62 | £1.38 | 5,905,115  |
| Cash                                                 |              |       | 836        |
| Market Value at 31 December                          |              |       | 11,101,481 |
| Historical Cost at 31 December                       |              |       | 10,232,102 |

| 2022                                                 | Holding      | Price | 2022<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,389,121.51 | £1.12 | 4,913,073  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,286,702.62 | £1.33 | 5,702,601  |
| Cash                                                 |              |       | 881        |
| Market Value at 31 December                          |              |       | 10,616,555 |
| Historical Cost at 31 December                       |              |       | 10,239,621 |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

### 4. Creditors - Amounts falling due within one year

|                                        | 2023          | 2022           |
|----------------------------------------|---------------|----------------|
|                                        | £             | £              |
| St. Paul's Cathedral – Grants for 2023 | -             | 300,000        |
| St. Paul's Cathedral                   | 50            | 10,912         |
| Audit and Accountancy Fees             | 9,360         | 8,910          |
| Portfolio Management Fees              | 2,188         | 2,149          |
|                                        | <b>11,598</b> | <b>321,971</b> |

### 5. Unrestricted funds

The Trust was established in order to endow the Cathedral Church of St. Paul in London by raising a Trust Fund from the City of London. Both income from the Trust Fund and the capital of the Trust Fund are available, at the discretion of the Trustees, to support St. Paul's in continuing its essential work, within the objects of the Trust.

In the past, the funds of the Trust have included designated funds set aside out of general unrestricted funds for specific purposes. There are currently no funds set aside to designated funds.

### 6. Restricted funds

The funds of the Trust include one restricted fund, the Bill Miller Fund, comprising the unexpended balance of donations and grants held on trust, the income of which is to be allocated towards the cost of a Cathedral organ scholar. The fund was established in 2008 with a £200,000 donation from Bill Miller, a former Trustee of the Cathedral's American fundraising trust.

|                               | Bill Miller Fund | Bill Miller Fund |
|-------------------------------|------------------|------------------|
|                               | 2023             | 2022             |
|                               | £                | £                |
| Balance at 1 January          | 204,757          | 230,826          |
| Income                        | 6,618            | 6,150            |
| Expenditure                   | (6,000)          | (6,000)          |
| Net Investment Gains/(Losses) | 9,503            | (26,219)         |
| <b>Balance at 31 December</b> | <b>214,878</b>   | <b>204,757</b>   |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

### 7. Analysis of net assets

| <b>2023</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Funds<br/>2023<br/>£</b> |
|-------------|-------------------------------------|-----------------------------------|-----------------------------|
| Investments | 10,886,603                          | 214,878                           | 11,101,481                  |
| Cash        | 32,524                              | -                                 | 32,524                      |
| Creditors   | (11,598)                            | -                                 | (11,598)                    |
|             | <b>10,907,529</b>                   | <b>214,878</b>                    | <b>11,122,407</b>           |

| <b>2022</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Funds<br/>2022<br/>£</b> |
|-------------|-------------------------------------|-----------------------------------|-----------------------------|
| Investments | 10,405,798                          | 210,757                           | 10,616,555                  |
| Cash        | 335,749                             | -                                 | 335,749                     |
| Creditors   | (315,971)                           | (6,000)                           | (321,971)                   |
|             | <b>10,425,576</b>                   | <b>204,757</b>                    | <b>10,630,333</b>           |

### 8. Trustees

None of the Trustees received any remuneration or reimbursement of expenses for the year (2022: £nil).

### 9. Related Party Transactions

There were no related party transactions in the year (2022: £nil)

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2023

### 10. Statement of financial activities for the year ended 31 December 2022

|                                                         | Unrestricted<br>Funds | Restricted<br>Funds | Total Funds<br>2022 |
|---------------------------------------------------------|-----------------------|---------------------|---------------------|
|                                                         | £                     | £                   | £                   |
| <b>Income from:</b>                                     |                       |                     |                     |
| Donations and Legacies                                  | -                     | -                   | -                   |
| Investments                                             | 320,564               | 6,150               | 326,714             |
| <b>Total income</b>                                     | <b>320,564</b>        | <b>6,150</b>        | <b>326,714</b>      |
| <b>Expenditure on:</b>                                  |                       |                     |                     |
| <b>Raising Funds</b>                                    |                       |                     |                     |
| Investment Management Charges                           | 8,218                 | -                   | 8,218               |
| <b>Charitable activities</b>                            |                       |                     |                     |
| Grants to St. Paul's Cathedral                          | 294,000               | -                   | 294,000             |
| Organ Scholar Grant to St. Paul's Cathedral             | -                     | 6,000               | 6,000               |
| Governance                                              | 9,450                 | -                   | 9,450               |
| <b>Total expenditure</b>                                | <b>311,668</b>        | <b>6,000</b>        | <b>317,668</b>      |
| <b>Net income/(expenditure) before Investment Gains</b> | <b>8,896</b>          | <b>150</b>          | <b>9,046</b>        |
| <b>Gains on Investment Assets</b>                       |                       |                     |                     |
| Realised Gains                                          | 1,212                 | 23                  | 1,235               |
| Unrealised (Losses)/Gains                               | (1,367,843)           | (26,242)            | (1,394,085)         |
| <b>Net (expenditure)/income</b>                         | <b>(1,357,735)</b>    | <b>(26,069)</b>     | <b>(1,383,804)</b>  |
| Transfers                                               | -                     | -                   | -                   |
| <b>Net Movement in Funds</b>                            | <b>(1,357,735)</b>    | <b>(26,069)</b>     | <b>(1,383,804)</b>  |
| Fund Balances Brought Forward                           | 11,783,311            | 230,826             | 12,014,137          |
| <b>Fund Balances Carried Forward</b>                    | <b>10,425,576</b>     | <b>204,757</b>      | <b>10,630,333</b>   |

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# Accounts

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# **City of London Endowment Trust for St. Paul's Cathedral**

Reports and Financial Statements

For the year ended 31 December 2022

Charity registration number 285023

# City of London Endowment Trust for St. Paul's Cathedral

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# City of London Endowment Trust for St. Paul's Cathedral

## Trust Information

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**Charity registration number** 285023

**Registered address** The Chapter House  
St. Paul's Churchyard  
London  
EC4M 8AD

**President** The Right Honourable the Lord Mayor of London

**Trustees** R W J Parry – Chairman  
J G Barclay – Treasurer  
U D Barnett  
D J Walter  
L A Ponsonby  
Lord Remnant (retired 22 November 2022)

**Secretary** J Day

**Fund Managers** Rathbone Brothers PLC  
8, Finsbury Circus, London EC2M 7AZ  
  
Sarasin & Partners  
Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

**Bankers** Lloyds Bank – Cheapside

**Independent auditors** Mazars LLP  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Introduction

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2022.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 SORP) effective from 1 January 2019, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Structure, governance and management

The Trust was formed under the terms set out in the Deed of Trust dated 5 May 1982. Control over policy is vested in the Trustees. New Trustees are appointed by a majority vote of existing Trustees.

### Trustees

The Trustees who have held office during 2022 to the date of this report are noted on page 1.

The Trustees meet formally at least twice a year. At these meetings, representatives of the Fund Managers attend to review the Trust's investments. From time to time, individual Trustees are appointed to ad hoc committees to carry out specific tasks for the Trustees. All policy decisions are taken by the Trustees and contact is maintained between the Chairman and the Secretary.

### Appointment of Trustees

There shall be at least three Trustees and not more than nine, and the power of appointing new or additional Trustees shall be vested in the serving Trustees. Any serving Trustee may nominate a prospective Trustee who will be interviewed prior to appointment. When interviewed, the prospective Trustee will be apprised of the objectives and working of the Trust and Trustees will be selected for their knowledge and experience, particularly of investment and charitable matters. To date, Trustees have not felt the need to attend formal training courses relating to the duties and responsibilities of Trustees because of their existing experience.

### Principal Risks

The Trustees review at least annually the risk analysis register identifying the risks to which the Trust is exposed and have taken steps to mitigate these risks wherever possible. The major risks identified relate to investment house fraud or failure, and an investment manager failing to recognise market changes or performing badly. These risks have been mitigated by dividing funds between two portfolios, holding at least two Trustee meetings each year attended by the investment managers, and by distributing investment managers' reports at least quarterly. The risk of cyber-attack has also been identified and the fund managers have provided a statement of their controls in this area.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Objectives and activities

The Trust was established in order to endow the Cathedral Church of St. Paul in London (the "Cathedral") by raising a Trust Fund from the City of London.

The objects of the Trust, as set out in the Deed of Trust dated 5 May 1982 are:

- for payment of costs and expenses in connection with St. Paul's
- for payment of costs and expenses in connection with the buildings and accommodation at the Deanery, Amen Court and the Chapter House provided for the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the running of St. Paul's Cathedral Choir School
- for payment of stipends and expenses of the clergy and lay officials serving St. Paul's Cathedral
- for payment of costs and expenses in connection with the provision of music for St. Paul's Cathedral
- for payment of wages for the vergers and all other staff employed therein
- for the preservation, maintenance and improvement of the Fabric of St. Paul's Cathedral
- for general charitable purposes.

Annual income from this Trust Fund – and, at the discretion of the Trustees, some or all of its capital – is available to assist St. Paul's to continue its essential work and meet the running expenses of its day to day activities.

The objective of the Trustees is to make grants to St. Paul's Cathedral in accordance with these objectives and under the Investment and Distribution Policy set out below.

### Investment and Distribution Policy

The financial objective of COLET is at least to maintain the real value of the Trust's assets whilst generating a stable and sustainable return to fund grants to St. Paul's Cathedral. Since 2020, the Trust's investments have been invested in two investment funds: the Sarasin Endowments Fund and the Rathbone Active Income & Growth Fund.

The Trustees meet at least twice a year to review the portfolio, including an analysis of return, risk and asset allocation. Performance is monitored against agreed market benchmarks and against the investment objective of CPI plus 4% over the long term. The investment managers (Sarasin & Partners and Rathbone Brothers) are required to present to the Trustees at these meetings. The Trustees believe that all investments held or acquired during the year comply with the investment powers as described in the Trust deed.

In May 2023, the Trust's Investment and Distribution Policy was updated to set a minimum level of distributions. Under the updated policy, the Trustees' agreed a distribution yield of at least 3% annually (to be reviewed each year). This policy will be used by the Trustees in determining annual grants to St Paul's Cathedral from 1 January 2023 onwards.

### Achievements and performance

For the year-ended 31 December 2022, the return achieved by the Trust's investments was approximately -9.0%. This was significantly below the level of UK CPI, with high global energy costs being a key factor in driving inflation (UK CPI reached 11.1% in October 2022). The continuing war in the Ukraine, sanctions from the West, high energy and commodity prices and the aftermath of the Covid-19 virus all contributed to inflation and negatively impacted investment performance in 2022.

As at May 2023, 2.0% remains the Bank of England's CPI target and the latest UK Office of Budget Responsibility forecast (March 2023) predicts that inflation will fall back to 2.9% by the end of 2023. Despite the adverse

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

performance of the Trust's investments compared to CPI in 2022, the Trustees consider it remains appropriate to target growth at above the level of inflation in the long term.

### Financial review

A full breakdown of income and expenditure is set out on page 10 of the accounts.

Grants to St. Paul's Cathedral are made from unrestricted funds, which have been established from general reserves and the investment income from the Trust's investments. In addition to this, the Trustees also administer the Bill Miller Fund, which was set-up to support an organ scholar at the Cathedral.

The Trust's investment portfolio as a whole (total return) fell approximately 9.0% over the year and the Trust recorded a net investment loss of £1,392,850 (2021: net investment gain of £878,911). This performance reflected the conditions in the financial markets, with both equity markets and fixed income markets suffering. UK Government Bonds fell by 23.8% in the year, on the back of rising interest rates to tackle inflation; and US equities showed negative returns of -7.8% (S&P 500 (GBP adjusted)). Outside of the US, the developed markets fared slightly better, with UK equities slightly up on the year, lifted by energy companies (FTSE All Share rose 0.3%).

The Trust's total income in 2022 was £326,714 (2021 - £308,020). Total expenditure was £317,668 (2021 - £568,915), which included a grant of £294,000 to St. Paul's Cathedral for general purposes (2021 - £295,000) and £6,000 towards the organ scholar costs (2021 - £6,000). In 2021 a special grant of £250,000 to the Cathedral was also awarded to provide financial support through the Covid-19 pandemic. Net income before investment gains and losses was £9,046 (2021 - net expenditure of £260,895).

Realised investment gains were £1,235 (2021 - realised gains of £1,611) and revaluation losses were £1,394,085 (2021 gains of £877,300).

As at 31 December 2022 the net assets of the Trust totalled £10,630,333. This compares with a total at the previous year end of £12,014,137.

### Reserves Policy

The Trustees aim to maintain sufficient unrestricted reserves to be able to continue appropriate support to St. Paul's in periods of fluctuations in the Trust's income.

### Plans for future and post balance sheet events

As noted on page 3, in May 2023, the Trust's Investment and Distribution Policy was updated to set a minimum level of distributions. Under the updated policy, the Trustees' agreed a distribution yield of at least 3% annually (to be reviewed each year). This policy will be used by the Trustees in determining annual grants to St Paul's Cathedral from 1 January 2023 onwards.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Statement of Trustees' responsibilities

Law applicable to Charities in England and 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 Trust at the end of the financial year, and of its income and expenditure for the financial year. In preparing those 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 and Statements of Recommended Practice 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 in existence.

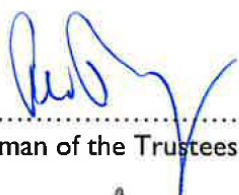
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities SORP (FRS 102). They are also responsible 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 have complied with their duty per the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

### Auditors

Mazars LLP has signified its willingness to continue in office, and a resolution proposing their re-appointment as auditors will be put to the next Trustees meeting.

Approved by the Trustees on 17 May 2023 and signed on their behalf by:



.....  
Mr R W J Parry, Chairman of the Trustees



.....  
Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Opinion**

We have audited the financial statements of City of London Endowment Trust for St. Paul's Cathedral (the 'charity') for the year ended 31 December 2022 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 FRS 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 charity's affairs as at 31 December 2022 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 5, 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 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 financial statements**

We have been appointed as auditor under section 144 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 auditor's report that includes our

# City of London Endowment Trust for St. Paul's Cathedral

## Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements 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.

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St. Paul's Cathedral**

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### **Use of the audit report**

This report is made solely to the charity'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 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.

**Mazars LLP**

Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 18 July 2023

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# City of London Endowment Trust for St. Paul's Cathedral

## Statement of Financial Activities for the Year Ended 31 December 2022

|                                                         | Notes       | Unrestricted Funds | Restricted Funds | Total Funds 2022   | Total Funds 2021  |
|---------------------------------------------------------|-------------|--------------------|------------------|--------------------|-------------------|
|                                                         |             | £                  | £                | £                  | £                 |
| <b>Income from:</b>                                     |             |                    |                  |                    |                   |
| Donations and Legacies                                  |             | -                  | -                | -                  | 2,000             |
| Investments                                             |             | 320,564            | 6,150            | 326,714            | 306,020           |
| <b>Total income</b>                                     |             | <b>320,564</b>     | <b>6,150</b>     | <b>326,714</b>     | <b>308,020</b>    |
| <b>Expenditure on:</b>                                  |             |                    |                  |                    |                   |
| <b>Raising Funds</b>                                    |             |                    |                  |                    |                   |
| Investment Management Charges                           | 2           | 8,218              | -                | 8,218              | 8,217             |
| <b>Charitable activities</b>                            |             |                    |                  |                    |                   |
| Grants to St. Paul's Cathedral                          | 2           | 294,000            | -                | 294,000            | 545,000           |
| Organ Scholar Grant to St. Paul's Cathedral             | 2, 6        | -                  | 6,000            | 6,000              | 6,000             |
| Governance                                              | 2           | 9,450              | -                | 9,450              | 9,698             |
| <b>Total expenditure</b>                                |             | <b>311,668</b>     | <b>6,000</b>     | <b>317,668</b>     | <b>568,915</b>    |
| <b>Net income/(expenditure) before Investment Gains</b> |             | <b>8,896</b>       | <b>150</b>       | <b>9,046</b>       | <b>(260,895)</b>  |
| <b>Gains on Investment Assets</b>                       |             |                    |                  |                    |                   |
| Realised Gains                                          | 3           | 1,212              | 23               | 1,235              | 1,611             |
| Unrealised (Losses)/Gains                               | 3           | (1,367,843)        | (26,242)         | (1,394,085)        | 877,300           |
| <b>Net (expenditure)/income</b>                         |             | <b>(1,357,735)</b> | <b>(26,069)</b>  | <b>(1,383,804)</b> | <b>618,016</b>    |
| Transfers                                               |             | -                  | -                | -                  | -                 |
| <b>Net Movement in Funds</b>                            |             | <b>(1,357,735)</b> | <b>(26,069)</b>  | <b>(1,383,804)</b> | <b>618,016</b>    |
| Fund Balances Brought Forward                           | 5, 6        | 11,783,311         | 230,826          | 12,014,137         | 11,396,121        |
| <b>Fund Balances Carried Forward</b>                    | <b>5, 6</b> | <b>10,425,576</b>  | <b>204,757</b>   | <b>10,630,333</b>  | <b>12,014,137</b> |

Income and expenditure all relate to continuing operations. The Trust has no gains or losses other than those included above.

The Statement of Financial Activities for 2021 is included at Note 10 on page 17.

# City of London Endowment Trust for St. Paul's Cathedral

## Balance Sheet as at 31 December 2022

|                                                | Notes | 2022                     | 2021                     |
|------------------------------------------------|-------|--------------------------|--------------------------|
|                                                |       | £                        | £                        |
| <b>Fixed Assets</b>                            |       |                          |                          |
| Investments                                    | 3     | 10,616,555               | 12,017,482               |
| <b>Current Assets</b>                          |       |                          |                          |
| Balance at Bank                                |       | 335,749                  | 9,283                    |
|                                                |       | <u>335,749</u>           | <u>9,283</u>             |
| <b>Liabilities</b>                             |       |                          |                          |
| Creditors: Amounts falling due within one year | 4     | <u>(321,971)</u>         | <u>(12,628)</u>          |
| <b>Net Current Assets/(Liabilities)</b>        |       | 13,778                   | (3,345)                  |
| <b>Net assets</b>                              |       | <u><u>10,630,333</u></u> | <u><u>12,014,137</u></u> |
| <b>Represented by:</b>                         |       |                          |                          |
| Unrestricted Funds                             | 5     | 10,425,576               | 11,783,311               |
| Restricted Funds                               | 6     | <u>204,757</u>           | <u>230,826</u>           |
|                                                |       | <u><u>10,630,333</u></u> | <u><u>12,014,137</u></u> |

Approved by the Trustees on 17 May 2023 and signed on their behalf by:

Mr R W J Parry, Chairman of the Trustees

Mr J G Barclay, Treasurer

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### **I. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2019) – (Charities SORP (FRS102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

These financial statements have been prepared on the going concern basis. The Charity has significant net assets, and the Trustees consider that there are no material uncertainties, including the impact of Covid-19 and the conflict in Ukraine, that will impact the Charity's ability to continue as a going concern.

#### **Donations and similar income**

All donations and similar income are credited directly to Unrestricted Funds. The exceptions to this are when donations are given for particular restricted purposes.

#### **Investment income**

Income and distributions from dividends and investments is accounted for on a receivable basis.

#### **Grants payable**

Grants are included when the recipient has been notified of the award. Unpaid grants at the year-end are accrued.

#### **Governance costs**

These represent costs incurred in the management of the Trust, its organisational administration and compliance with constitutional and statutory requirements.

#### **Investment management charges**

Investment management charges are charged directly to the Statement of Financial Activities.

#### **Investments**

Investments are shown in the balance sheet at market value. Surpluses and deficits on revaluations and disposals of investments are taken directly to the Statement of Financial Activities.

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### Fund accounting

**Unrestricted funds:** These are funds which can be used in accordance with the Trust's objects at the discretion of the Trustees.

**Designated funds:** These are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. There were no designated funds at 31 December 2022 (2021: £nil).

**Restricted funds:** These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### 2. Expenditure

|                                                      | 2022<br>£      | 2021<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>Raising Funds</b>                                 |                |                |
| Investment Management Charges to Investment Managers | 8,218          | 8,217          |
| <b>Charitable activities</b>                         |                |                |
| Annual grant to support St. Paul's Cathedral         | 294,000        | 295,000        |
| Covid-19 grant to St. Paul's Cathedral               | -              | 250,000        |
|                                                      | <b>294,000</b> | <b>545,000</b> |
| Organ Scholar grant to St. Paul's Cathedral          | 6,000          | 6,000          |
| <b>Governance</b>                                    |                |                |
| Audit Fee – Current year                             | 8,910          | 8,400          |
| Audit Fee – Prior years                              | 271            | 1,130          |
| Administrative Costs (including bank charges)        | 269            | 168            |
| <b>Total Expenditure</b>                             | <b>317,668</b> | <b>568,915</b> |

The Trust's investments are held in two investment funds: the Sarasin Endowments Fund Class A Inc and Rathbone Unit Trust Mgmt Active Income & Growth Inc. The majority of the Trust's investment costs and charges, are charged as deductions within the funds, with the costs being reflected in the unit price of the funds, calculated daily. These deductions within funds totalled £76,589 in the year (2021: £84,931) and are reflected in investment gains and losses in the year and are not included in the Investment Management Charges of £8,218 (2021: £8,217).

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 3. Investments

|                                     | 2022<br>£   | 2021<br>£  |
|-------------------------------------|-------------|------------|
| Market Value at 1 January           | 12,017,482  | 11,146,996 |
| Less: Disposals                     | (12,008)    | (11,362)   |
| Add: Acquisitions at Cost           | 3,061       | 3,925      |
| Realised Gains                      | 1,235       | 1,611      |
| Unrealised (Losses)/Gains           | (1,394,085) | 877,300    |
| Movement on Portfolio cash balances | 870         | (988)      |
| Market Value at 31 December         | 10,616,555  | 12,017,482 |

As at 31 December 2022 the investments were held in the following two funds.

| 2022                                                 | Holding      | Price | 2022<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,389,121.51 | £1.12 | 4,913,073  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,286,702.62 | £1.33 | 5,702,601  |
| Cash                                                 |              |       | 881        |
| Market Value at 31 December                          |              |       | 10,616,555 |
| Historical Cost at 31 December                       |              |       | 10,239,621 |

| 2021                                                 | Holding      | Price | 2021<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,386,448.39 | £1.28 | 5,606,933  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,295,455.62 | £1.49 | 6,410,537  |
| Cash                                                 |              |       | 12         |
| Market Value at 31 December                          |              |       | 12,017,482 |
| Historical Cost at 31 December                       |              |       | 10,246,466 |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 4. Creditors - Amounts falling due within one year

|                                        | 2022           | 2021          |
|----------------------------------------|----------------|---------------|
|                                        | £              | £             |
| St. Paul's Cathedral – Grants for 2022 | 300,000        | -             |
| St. Paul's Cathedral                   | 10,912         | 2,187         |
| Audit and Accountancy Fees             | 8,910          | 8,400         |
| Portfolio Management Fees              | 2,149          | 2,041         |
|                                        | <b>321,971</b> | <b>12,628</b> |

### 5. Unrestricted funds

The Trust was established in order to endow the Cathedral Church of St. Paul in London by raising a Trust Fund from the City of London. Both income from the Trust Fund and the capital of the Trust Fund are available, at the discretion of the Trustees, to support St. Paul's in continuing its essential work, within the objects of the Trust.

In the past, the funds of the Trust have included designated funds set aside out of general unrestricted funds for specific purposes. There are currently no funds set aside to designated funds.

### 6. Restricted funds

The funds of the Trust include one restricted fund, the Bill Miller Fund, comprising the unexpended balance of donations and grants held on trust, the income of which is to be allocated towards the cost of a Cathedral organ scholar. The fund was established in 2008 with a £200,000 donation from Bill Miller, a former Trustee of the Cathedral's American fundraising trust.

|                               | Bill Miller Fund | Bill Miller Fund |
|-------------------------------|------------------|------------------|
|                               | 2022             | 2021             |
|                               | £                | £                |
| Balance at 1 January          | 230,826          | 214,520          |
| Income                        | 6,150            | 5,761            |
| Expenditure                   | (6,000)          | (6,000)          |
| Net Investment (Losses)/Gains | (26,219)         | 16,545           |
| <b>Balance at 31 December</b> | <b>204,757</b>   | <b>230,826</b>   |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 7. Analysis of net assets

| <b>2022</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Funds<br/>2022<br/>£</b> |
|-------------|-------------------------------------|-----------------------------------|-----------------------------|
| Investments | 10,405,798                          | 210,757                           | 10,616,555                  |
| Cash        | 335,749                             | -                                 | 335,749                     |
| Creditors   | (315,971)                           | (6,000)                           | (321,971)                   |
|             | <b>10,425,576</b>                   | <b>204,757</b>                    | <b>10,630,333</b>           |

| <b>2021</b> | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Funds<br/>2021<br/>£</b> |
|-------------|-------------------------------------|-----------------------------------|-----------------------------|
| Investments | 11,786,656                          | 230,826                           | 12,017,482                  |
| Cash        | 9,283                               | -                                 | 9,283                       |
| Creditors   | (12,628)                            | -                                 | (12,628)                    |
|             | <b>11,783,311</b>                   | <b>230,826</b>                    | <b>12,014,137</b>           |

### 8. Trustees

None of the Trustees received any remuneration or reimbursement of expenses for the year (2021: £nil).

### 9. Related Party Transactions

There were no related party transactions in the year (2021: £nil)

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 10. Statement of financial activities for the year ended 31 December 2021

|                                                | Notes       | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>Funds 2021 |
|------------------------------------------------|-------------|-----------------------|---------------------|---------------------|
|                                                |             | £                     | £                   | £                   |
| <b>Income from:</b>                            |             |                       |                     |                     |
| Donations and Legacies                         |             | 2,000                 | -                   | 2,000               |
| Investments                                    |             | 300,259               | 5,761               | 306,020             |
| <b>Total income</b>                            |             | <b>302,259</b>        | <b>5,761</b>        | <b>308,020</b>      |
| <b>Expenditure on:</b>                         |             |                       |                     |                     |
| <b>Raising Funds</b>                           |             |                       |                     |                     |
| Investment Management Charges                  | 2           | 8,217                 | -                   | 8,217               |
| <b>Charitable activities</b>                   |             |                       |                     |                     |
| Grants to St. Paul's Cathedral                 | 2           | 545,000               | -                   | 545,000             |
| Organ Scholar Grant to St. Paul's Cathedral    | 2, 6        | -                     | 6,000               | 6,000               |
| Governance                                     | 2           | 9,698                 | -                   | 9,698               |
| <b>Total expenditure</b>                       |             | <b>562,915</b>        | <b>6,000</b>        | <b>568,915</b>      |
| <b>Net expenditure before Investment Gains</b> |             | <b>(260,656)</b>      | <b>(239)</b>        | <b>(260,895)</b>    |
| <b>Gains on Investment Assets</b>              |             |                       |                     |                     |
| Realised Gains                                 | 3           | 1,581                 | 30                  | 1,611               |
| Unrealised Gains                               | 3           | 860,785               | 16,515              | 877,300             |
| <b>Net income</b>                              |             | <b>601,710</b>        | <b>16,306</b>       | <b>618,016</b>      |
| Transfers                                      |             | -                     | -                   | -                   |
| <b>Net Movement in Funds</b>                   |             | <b>601,710</b>        | <b>16,306</b>       | <b>618,016</b>      |
| Fund Balances Brought Forward                  | 5, 6        | 11,181,601            | 214,520             | 11,396,121          |
| <b>Fund Balances Carried Forward</b>           | <b>5, 6</b> | <b>11,783,311</b>     | <b>230,826</b>      | <b>12,014,137</b>   |

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# Accounts

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# **City of London Endowment Trust for St Paul's Cathedral**

Reports and Financial Statements

For the year ended 31 December 2021

Charity registration number 285023

# **City of London Endowment Trust for St. Paul's Cathedral**

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# City of London Endowment Trust for St. Paul's Cathedral

## Trust Information

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**Charity registration number** 285023

**Registered address** The Chapter House  
St. Paul's Churchyard  
London  
EC4M 8AD

**President** The Right Honourable the Lord Mayor of London

**Vice President** The Governor of the Bank of England

**Trustees** U D Barnett – Chairman (until 23 November 2021)  
R W J Parry – Chairman (from 23 November 2021)  
J G Barclay – Treasurer  
Lord Remnant  
D J Walter  
L A Ponsonby

**Secretary** J Day

**Fund Managers** Rathbone Brothers PLC  
8, Finsbury Circus, London EC2M 7AZ  
  
Sarasin & Partners  
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

**Bankers** Lloyds Bank – Cheapside

**Independent auditors** Mazars LLP  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Introduction

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2021.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 SORP) effective from 1 January 2019, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Structure, governance and management

The Trust was formed under the terms set out in the Deed of Trust dated 5 May 1982. Control over policy is vested in the Trustees. New Trustees are appointed by a majority vote of existing Trustees.

### Trustees

The Trustees who have held office during 2021 to the date of this report are noted on page 1.

The Trustees meet formally at least twice a year. At these meetings, representatives of the Fund Managers attend to review the Trust's investments. From time to time, individual Trustees are appointed to ad hoc committees to carry out specific tasks for the Trustees. All policy decisions are taken by the Trustees and contact is maintained between the Chairman and the Secretary.

### Appointment of Trustees

There shall be at least three Trustees and not more than nine, and the power of appointing new or additional Trustees shall be vested in the serving Trustees. Any serving Trustee may nominate a prospective Trustee who will be interviewed prior to appointment. When interviewed, the prospective Trustee will be apprised of the objectives and working of the Trust and Trustees will be selected for their knowledge and experience, particularly of investment and charitable matters. To date, Trustees have not felt the need to attend formal training courses relating to the duties and responsibilities of Trustees because of their existing experience.

### Principal Risks

The Trustees review at least annually the risk analysis register identifying the risks to which the Trust is exposed and have taken steps to mitigate these risks wherever possible. The major risks identified relate to investment house fraud or failure, and an investment manager failing to recognise market changes or performing badly. These risks have been mitigated by dividing funds between two portfolios, holding at least two Trustee meetings each year attended by the investment managers, and by distributing investment managers' reports at least quarterly. The risk of cyber-attack has also been identified and the fund managers have provided a statement of their controls in this area.

Since the year-end, the terrible events unfolding in the Ukraine have weighed on financial markets. Sanctions from the West and rising energy and commodity prices coupled with ongoing Covid-19 impacts have created additional uncertainty. The Trustees continue to monitor the geopolitical events in the Ukraine and the progression of the Covid-19 virus and the associated ongoing uncertainty on the global economic outlook and will seek to take mitigating actions, if required.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Objectives and activities

The Trust was established in order to endow the Cathedral Church of St Paul in London by raising a Trust Fund from the City of London.

The objects of the Trust, as set out in the Deed of Trust dated 5 May 1982 are:

- for payment of costs and expenses in connection with St Paul's
- for payment of costs and expenses in connection with the buildings and accommodation at the Deanery, Amen Court and the Chapter House provided for the clergy and lay officials serving St Paul's Cathedral
- for payment of costs and expenses in connection with the running of St Paul's Cathedral Choir School
- for payment of stipends and expenses of the clergy and lay officials serving St Paul's Cathedral
- for payment of costs and expenses in connection with the provision of music for St Paul's Cathedral
- for payment of wages for the vergers and all other staff employed therein
- for the preservation, maintenance and improvement of the Fabric of St Paul's Cathedral
- for general charitable purposes.

Annual income from this Trust Fund - and, at the discretion of the Trustees, some or all of its capital - is available to assist St Paul's to continue its essential work and meet the running expenses of its day to day activities. The Trustees also respond to specific applications for funding within the terms of the objects set out above.

The objective of the Trustees is to make grants to St Paul's Cathedral in accordance with these objectives from returns generated by the investment policy set out below.

### Achievements and performance

The investment policy of the Trustees is to preserve in real terms the value of the Trust's assets by all prudent means and to secure a total return such that annual grants may be maintained.

The Trust's investment objective is reviewed periodically by the Trustees and during 2020 was amended to achieve a return of CPI plus 4% per annum over the long term. It is believed this will allow the Trust at least to maintain the real value of the assets, whilst funding annual expenditure, as agreed by Trustees. The Trustees meet at least twice a year to review the portfolios, including an analysis of return, risk and asset allocation. Performance is monitored against agreed market benchmarks and against the investment objective of CPI plus 4% over the long term. The investment managers (Sarasin and Partners and Rathbone Brothers) are required to present to the Trustees at these meetings.

Since 2020 the Trust's investments have been invested in two investment funds: the Sarasin Endowments Fund Class A Inc fund and the Rathbone Unit Trust Mgmt Active Income & Growth Inc fund. The two funds have different approaches and this is an explicit strategy. The Trustees believe that all investments held or acquired during the year comply with the investment powers as described in the Trust deed.

In 2021, the Trust continued to receive generous support from the Worshipful Company of Coopers.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Financial review

A full breakdown of income and expenditure is set out on page 10 of the accounts.

Grants to St Paul's Cathedral are made from unrestricted funds, which have been established from general reserves and the investment income from the Trust's investments. In addition to this, the Trustees also administer the Bill Miller Fund, which was set-up to support an organ scholar at the Cathedral.

2021 was a good year for global equities, with the FTSE World equity index up 22.1% and although equities outperformed the other major asset classes, both of the funds that the Trust is invested in reported total returns of over 10% for the year and the Trust recorded a net investment gain of £878,911 (2020 - £740,346).

Total income was £308,020 (2020 - £212,305). Total expenditure was £568,915 (2020 - £257,708), which included a grant of £295,000 to St Paul's Cathedral for general purposes (2020 - £226,000); £6,000 towards the organ scholarship (2020 - £6,000); and a £250,000 grant to help support the Cathedral financially through the Covid-19 pandemic. Net expenditure before investment gains and losses was £260,895 (2020 - net expenditure of £45,403).

Realised investment gains were £1,611 (2020 - realised losses of £153,373) and revaluation gains were £877,300 (2020 - £893,719).

As at 31 December 2021 the net assets of the Trust totalled £12,014,137. This compares with a total at the previous year end of £11,396,121.

### Reserves Policy

The Trustees aim to maintain sufficient unrestricted reserves in designated or general funds to be able to continue appropriate support to St. Paul's in periods of fluctuations in the Trust's income or for expenditure on capital projects.

### Plans for future and post balance sheet events

The Trustees review COLET's investment performance and estimated income yield at each Trustee meeting. Since the year-end, the terrible events unfolding in the Ukraine have weighed on financial markets. Sanctions from the West and rising energy and commodity prices coupled with ongoing Covid-19 impacts have created additional uncertainty. Further volatility is expected and the Trustees continue to monitor the geopolitical events in the Ukraine and the progression of the Covid-19 virus and the associated ongoing uncertainty on the global economic outlook and will seek to take mitigating actions, if required.

It is expected that annual grants to the Cathedral will be maintained at levels at least equal to the investment income generated from the portfolio each year. As noted above, during 2021 the Trustees paid a special grant of £250,000 to the Cathedral to provide financial support through the Covid-19 pandemic.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Statement of Trustees' responsibilities

Law applicable to Charities in England and 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 Trust at the end of the financial year, and of its income and expenditure for the financial year. In preparing those 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 and Statements of Recommended Practice 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 in existence.

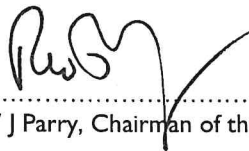
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities SORP (FRS 102). They are also responsible 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 have complied with their duty per the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

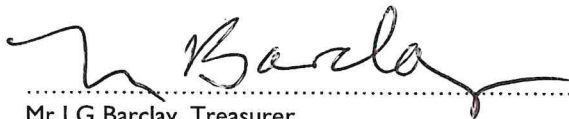
### Auditors

Mazars LLP has signified its willingness to continue in office, and a resolution proposing their re-appointment as auditors will be put to the next Trustees meeting.

Approved by the Trustees on 18 May 2022 and signed on their behalf by:



.....  
Mr R W J Parry, Chairman of the Trustees



.....  
Mr J G Barclay, Treasurer

## **City of London Endowment Trust for St. Paul's Cathedral**

### **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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#### **Opinion**

We have audited the financial statements of City of London Endowment Trust for St. Paul's Cathedral (the 'charity') for the year ended 31 December 2021 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 FRS 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 charity's affairs as at 31 December 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

## **City of London Endowment Trust for St. Paul's Cathedral**

### **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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#### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 5, 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 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 financial statements**

We have been appointed as auditor under section 144 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 auditor's report that includes our

## **City of London Endowment Trust for St. Paul's Cathedral**

### **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements 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.

## **City of London Endowment Trust for St. Paul's Cathedral**

### **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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#### **Use of the audit report**

This report is made solely to the charity'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 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.

**Mazars LLP**

Mazars LLP

Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS  
Date: 14 June 2022

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# City of London Endowment Trust for St. Paul's Cathedral

## Statement of Financial Activities for the Year Ended 31 December 2021

|                                                         | Notes       | Unrestricted Funds | Restricted Funds | Total Funds 2021  | Total Funds 2020  |
|---------------------------------------------------------|-------------|--------------------|------------------|-------------------|-------------------|
|                                                         |             | £                  | £                | £                 | £                 |
| <b>Income from:</b>                                     |             |                    |                  |                   |                   |
| Donations and Legacies                                  |             | 2,000              | -                | 2,000             | 2,000             |
| Investments                                             |             | 300,259            | 5,761            | 306,020           | 210,305           |
| <b>Total income</b>                                     |             | <b>302,259</b>     | <b>5,761</b>     | <b>308,020</b>    | <b>212,305</b>    |
| <b>Expenditure on:</b>                                  |             |                    |                  |                   |                   |
| <b>Raising Funds</b>                                    |             |                    |                  |                   |                   |
| Investment Management Charges                           | 2           | 8,217              | -                | 8,217             | 19,432            |
| <b>Charitable activities</b>                            |             |                    |                  |                   |                   |
| Grants to St Paul's Cathedral                           | 2           | 545,000            | -                | 545,000           | 226,000           |
| Organ Scholar Grant to St Paul's Cathedral              | 2, 6        | -                  | 6,000            | 6,000             | 6,000             |
| Governance                                              | 2           | 9,698              | -                | 9,698             | 6,276             |
| <b>Total expenditure</b>                                |             | <b>562,915</b>     | <b>6,000</b>     | <b>568,915</b>    | <b>257,708</b>    |
| <b>Net (expenditure)/income before Investment Gains</b> |             | <b>(260,656)</b>   | <b>(239)</b>     | <b>(260,895)</b>  | <b>(45,403)</b>   |
| <b>Gains on Investment Assets</b>                       |             |                    |                  |                   |                   |
| Realised Gains/(Losses)                                 | 3           | 1,581              | 30               | 1,611             | (153,373)         |
| Unrealised Gains                                        | 3           | 860,785            | 16,515           | 877,300           | 893,719           |
| <b>Net income/(expenditure)</b>                         |             | <b>601,710</b>     | <b>16,306</b>    | <b>618,016</b>    | <b>694,943</b>    |
| Transfers                                               |             | -                  | -                | -                 | -                 |
| <b>Net Movement in Funds</b>                            |             | <b>601,710</b>     | <b>16,306</b>    | <b>618,016</b>    | <b>694,943</b>    |
| Fund Balances Brought Forward                           | 5, 6        | 11,181,601         | 214,520          | 11,396,121        | 10,701,178        |
| <b>Fund Balances Carried Forward</b>                    | <b>5, 6</b> | <b>11,783,311</b>  | <b>230,826</b>   | <b>12,014,137</b> | <b>11,396,121</b> |

Income and expenditure all relate to continuing operations. The Trust has no gains or losses other than those included above.

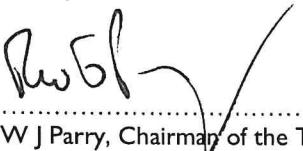
The Statement of Financial Activities for 2020 is included at Note 10 on page 17.

# City of London Endowment Trust for St. Paul's Cathedral

## Balance Sheet as at 31 December 2021

|                                                | Notes | 2021<br>£         | 2020<br>(restated)<br>£ |
|------------------------------------------------|-------|-------------------|-------------------------|
| <b>Fixed Assets</b>                            |       |                   |                         |
| Investments                                    | 3     | 12,017,482        | 11,146,996              |
| <b>Current Assets</b>                          |       |                   |                         |
| Debtors                                        |       | -                 | -                       |
| Balance at Bank                                |       | 9,283             | 259,259                 |
|                                                |       | <u>9,283</u>      | <u>259,259</u>          |
| <b>Liabilities</b>                             |       |                   |                         |
| Creditors: Amounts falling due within one year | 4     | (12,628)          | (10,134)                |
| <b>Net Current (Liabilities)/Assets</b>        |       | (3,345)           | 249,125                 |
| <b>Net assets</b>                              |       | <u>12,014,137</u> | <u>11,396,121</u>       |
| <b>Represented by:</b>                         |       |                   |                         |
| Unrestricted Funds                             | 5     | 11,783,311        | 11,181,601              |
| Restricted Funds                               | 6     | 230,826           | 214,520                 |
|                                                |       | <u>12,014,137</u> | <u>11,396,121</u>       |

Approved by the Trustees on 18 May 2022 and signed on their behalf by:

  
 .....  
 Mr R W J Parry, Chairman of the Trustees

  
 .....  
 Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

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### **I. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2019) – (Charities SORP (FRS102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

These financial statements have been prepared on the going concern basis. The Charity has significant net assets, and the Trustees consider that there are no material uncertainties, including the impact of Covid-19 and the conflict in Ukraine, that will impact the Charity's ability to continue as a going concern.

#### **Donations and similar income**

All donations and similar income are credited directly to Unrestricted Funds. The exceptions to this are when donations are given for particular restricted purposes.

#### **Investment income**

Income and distributions from dividends and investments is accounted for on a receivable basis.

#### **Grants payable**

Grants are included when the recipient has been notified of the award. Unpaid grants at the year-end are accrued.

#### **Governance costs**

These represent costs incurred in the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

#### **Investment management charges**

Investment management charges are charged directly to the Statement of Financial Activities.

#### **Investments**

Investments are shown in the balance sheet at market value. Surpluses and deficits on revaluations and disposals of investments are taken directly to the Statement of Financial Activities.

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### Fund accounting

**Unrestricted funds:** These are funds which can be used in accordance with the Trust's objects at the discretion of the Trustees.

**Designated funds:** These are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects. There were no designated funds at 31 December 2021 (2020: £nil).

**Restricted funds:** These are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### 2. Expenditure

|                                                      | 2021<br>£      | 2020<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>Raising Funds</b>                                 |                |                |
| Investment Management Charges to Investment Managers | 8,217          | 19,432         |
| <b>Charitable activities</b>                         |                |                |
| Annual grant to support St Paul's Cathedral          | 295,000        | 226,000        |
| Covid-19 grant to St Paul's Cathedral                | 250,000        | -              |
|                                                      | <b>545,000</b> | <b>226,000</b> |
| Organ Scholar grant to St Paul's Cathedral           | 6,000          | 6,000          |
| <b>Governance</b>                                    |                |                |
| Audit Fee – Current year                             | 8,400          | 6,690          |
| Audit Fee – Prior years                              | 1,130          | (430)          |
| Administrative Costs (including bank charges)        | 168            | 16             |
| <b>Total Expenditure</b>                             | <b>568,915</b> | <b>257,708</b> |

During 2020 the Trust's investments were moved into two investment funds: the Sarasin Endowments Fund Class A Inc and Rathbone Unit Trust Mgmt Active Income & Growth Inc.

Following these transfers, the majority of the Trust's investment costs and charges, are charged as deductions within the funds, with the costs being reflected in the unit price of the funds, calculated daily. These deductions within funds totalled £84,931 in the year (2020: £54,298) and are reflected in investment gains and losses in the year and are not included in the Investment Management Charges of £8,217 (2020: £19,432).

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 3. Investments

|                                     | 2021<br>£  | 2020<br>£    |
|-------------------------------------|------------|--------------|
| Market Value at 1 January           | 11,146,996 | 10,664,354   |
| Less: Disposals                     | (11,362)   | (12,155,851) |
| Add: Acquisitions at Cost           | 3,925      | 12,409,311   |
| Realised Gains/(Losses)             | 1,611      | (153,373)    |
| Unrealised Gains                    | 877,300    | 893,719      |
| Movement on Portfolio cash balances | (988)      | (524,174)    |
| Other movements                     | -          | 13,010       |
| Market Value at 31 December         | 12,017,482 | 11,146,996   |

As at 31 December 2021 the investments were held in the following two funds.

| 2021                                                 | Holding      | Price | 2021<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,386,448.39 | £1.28 | 5,606,933  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,295,455.62 | £1.49 | 6,410,537  |
| Cash                                                 |              |       | 12         |
| Market Value at 31 December                          |              |       | 12,017,482 |
| Historical Cost at 31 December                       |              |       | 10,253,278 |

| 2020                                                 | Holding      | Price | 2020<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,383,306.12 | £1.19 | 5,229,283  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,303,378.62 | £1.37 | 5,916,713  |
| Cash                                                 |              |       | 1,000      |
| Market Value at 31 December                          |              |       | 11,146,996 |
| Historical Cost at 31 December                       |              |       | 10,253,278 |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 4. Creditors - Amounts falling due within one year

|                            | 2021<br>£     | 2020<br>£     |
|----------------------------|---------------|---------------|
| St Paul's Cathedral        | 2,187         | 1,199         |
| Audit and Accountancy Fees | 8,400         | 6,690         |
| Portfolio Management Fees  | 2,041         | 2,245         |
|                            | <b>12,628</b> | <b>10,134</b> |

### 5. Unrestricted funds

The Trust was established in order to endow the Cathedral Church of St Paul in London by raising a Trust Fund from the City of London. Both income from the Trust Fund and the capital of the Trust Fund are available, at the discretion of the Trustees, to support St Paul's in continuing its essential work, within the objects of the Trust.

In the past, the funds of the Trust have included designated funds set aside out of general unrestricted funds for specific purposes. There are currently no funds set aside to designated funds.

### 6. Restricted funds

The funds of the Trust include one restricted fund, the Bill Miller Fund, comprising the unexpended balance of donations and grants held on trust, the income of which is to be allocated towards the cost of a Cathedral organ scholar. The fund was established in 2011 with a £200,000 donation from Bill Miller, a former Trustee of the Cathedral's American fundraising trust.

|                               | Bill Miller Fund<br>2021<br>£ | Bill Miller Fund<br>2020<br>£ |
|-------------------------------|-------------------------------|-------------------------------|
| Balance at 1 January          | 214,520                       | 202,528                       |
| Income                        | 5,761                         | 3,980                         |
| Expenditure                   | (6,000)                       | (6,000)                       |
| Net Investment Gains          | 16,545                        | 14,012                        |
| <b>Balance at 31 December</b> | <b>230,826</b>                | <b>214,520</b>                |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 7. Analysis of net assets

| 2021        | Unrestricted<br>Funds<br>£               | Restricted<br>Funds<br>£ | Funds<br>2021<br>£ |
|-------------|------------------------------------------|--------------------------|--------------------|
| Investments | 11,786,656                               | 230,826                  | 12,017,482         |
| Cash        | 9,283                                    | -                        | 9,283              |
| Creditors   | (12,628)                                 | -                        | (12,628)           |
|             | <u>11,783,311</u>                        | <u>230,826</u>           | <u>12,014,137</u>  |
| 2020        | Unrestricted<br>Funds<br>£<br>(Restated) | Restricted<br>Funds<br>£ | Funds<br>2020<br>£ |
| Investments | 10,932,476                               | 214,520                  | 11,146,996         |
| Cash        | 259,259                                  | -                        | 259,259            |
| Creditors   | (10,134)                                 | -                        | (10,134)           |
|             | <u>11,181,601</u>                        | <u>214,520</u>           | <u>11,396,121</u>  |

### 8. Trustees

None of the Trustees received any remuneration or reimbursement of expenses for the year (2020: £nil).

### 9. Related Party Transactions

There were no related party transactions in the year (2020: £nil)

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 10. Statement of financial activities for the year ended 31 December 2020

|                                                | Unrestricted<br>Funds<br>(Restated)<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ |
|------------------------------------------------|------------------------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                            |                                          |                          |                          |
| Donations and Legacies                         | 2,000                                    | -                        | 2,000                    |
| Investments                                    | 206,325                                  | 3,980                    | 210,305                  |
| <b>Total income</b>                            | <b>208,325</b>                           | <b>3,980</b>             | <b>212,305</b>           |
| <b>Expenditure on:</b>                         |                                          |                          |                          |
| <b>Raising Funds</b>                           |                                          |                          |                          |
| Investment Management Charges                  | 19,432-                                  | -                        | 19,432                   |
| <b>Charitable activities</b>                   |                                          |                          |                          |
| Grants to St Paul's Cathedral                  | 226,000                                  | -                        | 226,000                  |
| Organ Scholar Grant to St Paul's Cathedral     | -                                        | 6,000                    | 6,000                    |
| Governance                                     | 6,276                                    | -                        | 6,276                    |
| <b>Total expenditure</b>                       | <b>251,708</b>                           | <b>6,000</b>             | <b>257,708</b>           |
| <b>Net expenditure before Investment Gains</b> | <b>(43,383)</b>                          | <b>(2,020)</b>           | <b>(45,403)</b>          |
| <b>Gains on Investment Assets</b>              |                                          |                          |                          |
| Realised (Losses)/Gains                        | (150,470)                                | (2,903)                  | (153,373)                |
| Unrealised Gains                               | 876,804                                  | 16,915                   | 893,719                  |
| <b>Net income</b>                              | <b>682,951</b>                           | <b>11,992</b>            | <b>694,943</b>           |
| Transfers                                      | -                                        | -                        | -                        |
| <b>Net Movement in Funds</b>                   | <b>682,951</b>                           | <b>11,992</b>            | <b>694,943</b>           |
| Fund Balances Brought Forward                  | 10,498,650                               | 202,528                  | 10,701,178               |
| <b>Fund Balances Carried Forward</b>           | <b>11,181,601</b>                        | <b>214,520</b>           | <b>11,396,121</b>        |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 11. Restatement of Unrestricted Fund

In prior years, a separate Endowment Fund was presented in the financial statements and investment gains and losses and investment management charges were recognised directly in the Endowment Fund, whereas Investment income from the Trust's capital was recognised in Unrestricted Funds (other than where it was apportioned to a Restricted Fund).

The Trustees have the power to apply both the capital and income of the Trust Fund in furthering the objects of the Trust and therefore believe it is more appropriate to present the Unrestricted Funds in totality, especially given that the Trust's investments are managed on a total returns basis. The effect of this change has been to combine the Endowment Fund with the Unrestricted Funds. The 2020 comparatives have been restated to allow comparison.

The impact of the restatement is shown below. There is no change to total net assets.

| Unrestricted - Net income and expenditure for the year ended 31 December 2020 | Unrestricted Funds as presented in the 2020 accounts<br>£ | Restatement<br>£ | Unrestricted Funds (Restated)<br>£ |
|-------------------------------------------------------------------------------|-----------------------------------------------------------|------------------|------------------------------------|
| <b>Total income</b>                                                           | <b>208,325</b>                                            | <b>-</b>         | <b>208,325</b>                     |
| <b>Expenditure on:</b>                                                        |                                                           |                  |                                    |
| <b>Raising Funds</b>                                                          |                                                           |                  |                                    |
| Investment Management Charges                                                 | -                                                         | 19,432           | 19,432                             |
| <b>Charitable activities</b>                                                  |                                                           |                  |                                    |
| Maintenance of St Paul's Cathedral                                            | 226,000                                                   | -                | 226,000                            |
| Governance                                                                    | 6,276                                                     | -                | 6,276                              |
| <b>Total expenditure</b>                                                      | <b>232,276</b>                                            | <b>19,432</b>    | <b>251,708</b>                     |
| <b>Net expenditure before Investment Gains</b>                                | <b>(23,951)</b>                                           | <b>(19,432)</b>  | <b>(43,383)</b>                    |
| <b>Gains on Investment Assets</b>                                             |                                                           |                  |                                    |
| Realised (Losses)/Gains                                                       | -                                                         | (150,470)        | (150,470)                          |
| Unrealised Gains                                                              | -                                                         | 876,804          | 876,804                            |
| <b>Net (expenditure)/income</b>                                               | <b>(23,951)</b>                                           | <b>706,902</b>   | <b>682,951</b>                     |
| Transfers                                                                     | 1,439                                                     | (1,439)          | -                                  |
| <b>Net Movement in Funds</b>                                                  | <b>(22,512)</b>                                           | <b>705,463</b>   | <b>682,951</b>                     |

|                                                                      | Unrestricted Fund<br>£ | Endowment Fund<br>£ |
|----------------------------------------------------------------------|------------------------|---------------------|
| <b>Fund Balances at 1 Jan 2020 as presented in the 2020 accounts</b> | <b>22,512</b>          | <b>10,476,138</b>   |
| Restatement at 1 Jan 2020                                            | 10,476,138             | (10,476,138)        |
| <b>Fund Balances at 1 Jan 2020 (restated)</b>                        | <b>10,498,650</b>      | <b>-</b>            |
| Net Movement in Funds in 2020 (restated)                             | 682,951                | -                   |
| <b>Fund Balances at 31 Dec 2020</b>                                  | <b>11,181,601</b>      | <b>-</b>            |

## City of London Endowment Trust for St. Paul's Cathedral

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Analysis of net assets - Restatement

| 31 Dec 2020 as originally presented | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | Funds 2020<br>£   |
|-------------------------------------|-------------------------|-----------------------|----------------------|-------------------|
| Investments                         | -                       | 214,520               | 10,932,476           | 11,146,996        |
| Cash                                | 7,889                   | -                     | 251,370              | 259,259           |
| Creditors                           | (7,889)                 | -                     | (2,245)              | (10,134)          |
|                                     | <u>-</u>                | <u>214,520</u>        | <u>11,181,601</u>    | <u>11,396,121</u> |
| 31 Dec 2020 (restated)              | Unrestricted Funds<br>£ | Restricted Funds<br>£ |                      | Funds 2020<br>£   |
| Investments                         | 10,932,476              | 214,520               |                      | 11,146,996        |
| Cash                                | 259,259                 | -                     |                      | 259,259           |
| Creditors                           | (10,134)                | -                     |                      | (10,134)          |
|                                     | <u>11,181,601</u>       | <u>214,520</u>        |                      | <u>11,396,121</u> |

#### 12. Post Balance Sheet Events

Since the year-end a number of factors, including the Russian invasion of Ukraine, have led to falls in the financial markets. As at 30 April 2022, the latest practicable date before the approval of the accounts, the market value of the Trust's investments had fallen by approximately £760,000 (6.3%) compared to as at 31 December 2021. Further volatility is expected and the Trustees continue to monitor the global economic outlook and will seek to take mitigating actions, if required.

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# Accounts

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# **City of London Endowment Trust for St Paul's Cathedral**

Reports and Financial Statements

For the year ended 31 December 2020

Charity registration number 285023

# City of London Endowment Trust for St. Paul's Cathedral

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# City of London Endowment Trust for St. Paul's Cathedral

## Trust Information

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**Charity registration number** 285023

**Registered address** The Chapter House  
St. Paul's Churchyard  
London  
EC4M 8AD

**President** The Right Honourable the Lord Mayor of London

**Vice President** The Governor of the Bank of England

**Trustees** U D Barnett – Chairman  
J G Barclay – Treasurer  
R W J Parry  
The Hon P J Remnant  
D J Walter  
L A Ponsonby

**Secretary** J Day

**Fund Managers** Rathbone Brothers PLC  
8, Finsbury Circus, London EC2M 7AZ  
  
Sarasin & Partners  
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

**Bankers** National Westminster Bank Plc – City of London

**Independent auditors** Mazars LLP  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Introduction

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ended 31 December 2020.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 SORP) effective from 1 January 2015, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

### Structure, governance and management

The Trust was formed under the terms set out in the Deed of Trust dated 5 May 1982. Control over policy is vested in the Trustees. New Trustees are appointed by a majority vote of existing Trustees.

### Trustees

The Trustees who have held office during 2020 to the date of this report are noted on page 1.

The Trustees meet formally at least twice a year. At these meetings, representatives of the Fund Managers attend to review the Trust's investments. From time to time, individual Trustees are appointed to ad hoc committees to carry out specific tasks for the Trustees. All policy decisions are taken by the Trustees and contact is maintained between the Chairman and the Secretary.

### Appointment of Trustees

There shall be at least three Trustees and not more than nine, and the power of appointing new or additional Trustees shall be vested in the serving Trustees. Any serving Trustee may nominate a prospective Trustee who will be interviewed prior to appointment. When interviewed, the prospective Trustee will be apprised of the objectives and working of the Trust and Trustees will be selected for their knowledge and experience, particularly of investment and charitable matters. To date, Trustees have not felt the need to attend formal training courses relating to the duties and responsibilities of Trustees because of their existing experience.

### Principal Risks

The Trustees review at least annually the risk analysis register identifying the risks to which the Trust is exposed and have taken steps to mitigate these risks wherever possible. The major risks identified relate to investment house fraud or failure, and an investment manager failing to recognise market changes or performing badly. These risks have been mitigated by dividing funds between two portfolios, holding at least two Trustee meetings each year attended by the investment managers, and by distributing investment managers' reports at least quarterly. The risk of cyber-attack has also been identified and the fund managers have provided a statement of their controls in this area.

The Trust is continuing to monitor developments of the Covid-19 virus and the associated ongoing uncertainty on the global economic outlook and will seek to take mitigating actions, if required.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Objectives and activities

The Trust was established in order to endow the Cathedral Church of St Paul in London by raising a Trust Fund from the City of London.

The objects of the Trust, as set out in the Deed of Trust dated 5 May 1982 are:

- for payment of costs and expenses in connection with St Paul's
- for payment of costs and expenses in connection with the buildings and accommodation at the Deanery, Amen Court and the Chapter House provided for the clergy and lay officials serving St Paul's Cathedral
- for payment of costs and expenses in connection with the running of St Paul's Cathedral Choir School
- for payment of stipends and expenses of the clergy and lay officials serving St Paul's Cathedral
- for payment of costs and expenses in connection with the provision of music for St Paul's Cathedral
- for payment of wages for the vergers and all other staff employed therein
- for the preservation, maintenance and improvement of the Fabric of St Paul's Cathedral
- for general charitable purposes.

Annual income from this Trust Fund - and, at the discretion of the Trustees, some or all of its capital - is available to assist St Paul's to continue its essential work and meet the running expenses of its day to day activities. The Trustees also respond to specific applications for funding within the terms of the objects set out above.

The objective of the Trustees is to make grants to St Paul's Cathedral in accordance with these objectives from returns generated by the investment policy set out below.

### Achievements and performance

The investment policy of the Trustees is to preserve in real terms the value of the Trust's assets by all prudent means and to secure a total return such that annual grants may be maintained.

During 2019 the Trustees became concerned by the discrepancy in performance of the two appointed investment houses. Accordingly, early in 2020 three fund managers were interviewed by a panel of the Trustees and it was decided to appoint Sarasin and Partners to take over the management of the portion of the portfolio previously managed by Ruffer LLP. At the same time the Trustees agreed to move the Trust's investments into investment funds, to simplify administration requirements.

The Trust's investment objective is reviewed periodically by the Trustees and during 2020 was amended to achieve a return of CPI plus 4% per annum over the long term. It is believed this will allow the Trust at least to maintain the real value of the assets, whilst funding annual expenditure, as agreed by Trustees. The Trustees meet at least twice a year to review the portfolios, including an analysis of return, risk and asset allocation. Performance is monitored against agreed market benchmarks and against the investment objective of CPI+4% over the long term. The investment managers are required to present to the Trustees at these meeting.

The Trustees believe that all investments held or acquired during the year comply with the investment powers as described in the Trust deed.

The Trust continued to receive generous support for its Endowment Fund from the Worshipful Company of Coopers.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Financial review

A full breakdown of income and expenditure is set out on page 10 of the accounts.

The Trustees have adopted a policy of making grants to St Paul's Cathedral towards essential continuing maintenance. These grants are made from unrestricted funds, which have been established from general reserves and the investment income from the Trust's investments. In addition to this, the Trustees also administer the Bill Miller Fund, which was set-up to support an organ scholar at the Cathedral.

Total income was £212,305 (2019 - £260,035). Total expenditure was £257,708 (2019 - £322,737), which included a £226,000 grant to St Paul's Cathedral for general purposes and £6,000 towards the organ scholarship, resulting in a net expenditure before investment gains and losses of £45,403 (2019 – net expenditure of £62,702).

The £500,000 grant to St Paul's Cathedral, awarded in June 2017, and outstanding at 31 December 2019 was settled in 2020.

Realised investment losses were £153,373 (2019 – realised gains of £766,722) and revaluation gains were £893,719 (2019 - £31,220).

As at 31 December 2020 the net assets of the Trust totalled £11,396,121. This compares with a total at the previous year end of £10,701,178.

### Reserves Policy

The Trustees aim to maintain sufficient unrestricted reserves in designated or general funds to be able to continue appropriate support to St. Paul's in periods of fluctuations in the Trust's income or for expenditure on capital projects.

### Plans for future and post balance sheet events

The United Kingdom's decision to leave the EU introduced an element of uncertainty throughout 2020, but more profound was the impact of the Covid-19 pandemic. Whilst, there was considerable market volatility in the first few months of the pandemic, over the year as a whole investment values held up well, and the Trust recorded a net investment gain of £740,346 (2019: £797,942). At the trustees meeting in November 2020, the Trustees received a request from St Paul's Cathedral for a special grant of £250,000 to provide financial support for the Cathedral in 2021 through the ongoing Covid-19 pandemic. The decision to award the grant was confirmed in 2021 and paid in March 2021 and will be reflected in the 2021 accounts.

The Trustees agree COLET's income requirements annually with the investment managers based on its annual grant commitment to St Paul's as well as ad-hoc grant requests. It is expected that in addition to the £250,000 Covid-19 grant referred to above, annual grants will be maintained at the traditional levels in 2021. Based on the Trust's income projections for 2021, it is anticipated that the Trust will have sufficient unrestricted funds to cover these grants.

# City of London Endowment Trust for St. Paul's Cathedral

## Trustees' Report

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### Statement of Trustees' responsibilities

Law applicable to Charities in England and 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 Trust at the end of the financial year, and of its income and expenditure for the financial year. In preparing those 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 and Statements of Recommended Practice 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 in existence.

The Trustees are responsible for maintaining proper accounting records which 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 and the Charities SORP (FRS 102). 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 have complied with their duty per the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

### Auditors

Mazars LLP has signified its willingness to continue in office, and a resolution proposing their re-appointment as auditors will be put to the next Trustees meeting.

Approved by the Trustees on 19 May 2021 and signed on their behalf by:



.....  
Mr U D Barnett, Chairman of the Trustees



.....  
Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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### **Opinion**

We have audited the financial statements of City of London Endowment Trust for St. Paul's Cathedral (the 'charity') 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 FRS 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 charity's affairs as at 31 December 2020 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 5, 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 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 financial statements**

We have been appointed as auditor under section 144 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 auditor's report that

## City of London Endowment Trust for St. Paul's Cathedral

### Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral

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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements 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.

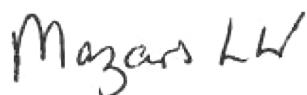
## **City of London Endowment Trust for St. Paul's Cathedral**

### **Independent Auditor's Report to the Trustees of the City of London Endowment Trust for St Paul's Cathedral**

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#### **Use of the audit report**

This report is made solely to the charity'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 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.



Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 13 July 2021

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# City of London Endowment Trust for St. Paul's Cathedral

## Statement of Financial Activities for the Year Ended 31 December 2020

|                                                | Notes          | Unrestricted Funds | Restricted Funds | Endowment Funds   | Total Funds 2020  | Total Funds 2019  |
|------------------------------------------------|----------------|--------------------|------------------|-------------------|-------------------|-------------------|
|                                                |                | £                  | £                | £                 | £                 | £                 |
| <b>Income from:</b>                            |                |                    |                  |                   |                   |                   |
| Donations and Legacies                         |                | 2,000              | -                | -                 | 2,000             | 2,000             |
| Investments                                    |                | 206,325            | 3,980            | -                 | 210,305           | 258,035           |
| <b>Total income</b>                            |                | <b>208,325</b>     | <b>3,980</b>     | <b>-</b>          | <b>212,305</b>    | <b>260,035</b>    |
| <b>Expenditure on:</b>                         |                |                    |                  |                   |                   |                   |
| <b>Raising Funds</b>                           |                |                    |                  |                   |                   |                   |
| Investment Management Charges                  | 2              | -                  | -                | 19,432            | 19,432            | 83,939            |
| <b>Charitable activities</b>                   |                |                    |                  |                   |                   |                   |
| Maintenance of St Paul's Cathedral             | 2              | 226,000            | -                | -                 | 226,000           | 226,000           |
| Organ Scholar Grant to St Paul's Cathedral     | 2, 6           | -                  | 6,000            | -                 | 6,000             | 6,000             |
| Governance                                     |                | 6,276              | -                | -                 | 6,276             | 6,798             |
| <b>Total expenditure</b>                       |                | <b>232,276</b>     | <b>6,000</b>     | <b>19,432</b>     | <b>257,708</b>    | <b>322,737</b>    |
| <b>Net expenditure before Investment Gains</b> |                | <b>(23,951)</b>    | <b>(2,020)</b>   | <b>(19,432)</b>   | <b>(45,403)</b>   | <b>(62,702)</b>   |
| <b>Gains on Investment Assets</b>              |                |                    |                  |                   |                   |                   |
| Realised (Losses)/Gains                        | 3              | -                  | (2,903)          | (150,470)         | (153,373)         | 766,722           |
| Unrealised Gains                               | 3              | -                  | 16,915           | 876,804           | 893,719           | 31,220            |
| <b>Net (expenditure)/income</b>                |                | <b>(23,951)</b>    | <b>11,992</b>    | <b>706,902</b>    | <b>694,943</b>    | <b>735,240</b>    |
| Transfers                                      |                | 1,439              | -                | (1,439)           | -                 | -                 |
| <b>Net Movement in Funds</b>                   |                | <b>(22,512)</b>    | <b>11,992</b>    | <b>705,463</b>    | <b>694,943</b>    | <b>735,240</b>    |
| Fund Balances Brought Forward                  | 5, 6, 7        | 22,512             | 202,528          | 10,476,138        | 10,701,178        | 9,965,938         |
| <b>Fund Balances Carried Forward</b>           | <b>5, 6, 7</b> | <b>-</b>           | <b>214,520</b>   | <b>11,181,601</b> | <b>11,396,121</b> | <b>10,701,178</b> |

Income and expenditure all relate to continuing operations. The Trust has no gains or losses other than those included above.

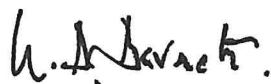
The Statement of Financial Activities for 2019 is included at Note 12 on page 17.

# City of London Endowment Trust for St. Paul's Cathedral

## Balance Sheet as at 31 December 2020

|                                                | Notes | £              | 2020<br>£         | £              | 2019<br>£         |
|------------------------------------------------|-------|----------------|-------------------|----------------|-------------------|
| <b>Fixed Assets</b>                            |       |                |                   |                |                   |
| Investments                                    | 3     |                | 11,146,996        |                | 10,664,354        |
| <b>Current Assets</b>                          |       |                |                   |                |                   |
| Debtors                                        |       |                | -                 | 3,699          |                   |
| Balance at Bank                                |       | 259,259        |                   | 562,632        |                   |
|                                                |       | <u>259,259</u> |                   | <u>566,331</u> |                   |
| <b>Liabilities</b>                             |       |                |                   |                |                   |
| Creditors: Amounts falling due within one year | 4     | (10,134)       |                   | (529,507)      |                   |
|                                                |       |                |                   | <u></u>        |                   |
| <b>Net Current Assets</b>                      |       |                | 249,125           |                | 36,824            |
| <b>Net assets</b>                              |       |                | <u>11,396,121</u> |                | <u>10,701,178</u> |
| <b>Represented by:</b>                         |       |                |                   |                |                   |
| Unrestricted Funds                             | 5     |                | -                 |                | 22,512            |
| Restricted Funds                               | 6     |                | 214,520           |                | 202,528           |
| Endowment Fund                                 | 7     |                | 11,181,601        |                | 10,476,138        |
|                                                |       |                | <u>11,396,121</u> |                | <u>10,701,178</u> |

Approved by the Trustees on 19 May 2021 and signed on their behalf by:



Mr U D Barnett, Chairman of the Trustees



Mr J G Barclay, Treasurer

# **City of London Endowment Trust for St. Paul's Cathedral**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

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### **1. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015) – (Charities SORP (FRS102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Going Concern**

These financial statements have been prepared on the going concern basis. The Charity has significant net assets, and the Trustees consider that there are no material uncertainties, including the impact of Covid-19, that will impact the Charity's ability to continue as a going concern.

#### **Donations and similar income**

All donations and similar income are credited directly to the Endowment Fund as they are all given by the donors to establish a capital fund. The exceptions to this are when donations are given for particular restricted purposes. Income tax recoverable on deeds of covenant is accounted for on receipt of the payment of the relevant deed of covenant. Legacies received that are not subject to any restriction are credited to the general fund.

#### **Dividend and interest receivable**

Income from dividends and investments is accounted for on a receivable basis.

#### **Grants payable**

Grants are included when the recipient has been notified of the award. Unpaid grants at the year-end are accrued.

#### **Governance costs**

These represent costs incurred in the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

#### **Portfolio management charges**

Portfolio management charges are charged directly to the Endowment Funds.

#### **Investments**

Investments are shown in the balance sheet at market value. Surpluses and deficits on revaluations and disposals of investments are taken directly to the Endowment Fund.

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2020

### Fund accounting

**Unrestricted funds:** these are funds which can be used in accordance with the Trust's objects at the discretion of the Trustees.

**Designated funds:** These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects. There were no designated funds at 31 December 2020 (2019: nil).

**Restricted funds:** these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Endowment funds:** These are funds where the capital is to be held to generate income which may be utilised for general purposes.

### 2. Expenditure

|                                                      | 2020<br>£      | 2019<br>£      |
|------------------------------------------------------|----------------|----------------|
| <b>Raising Funds</b>                                 |                |                |
| Investment Management Charges to Investment Managers | 19,432         | 83,939         |
| <b>Charitable activities</b>                         |                |                |
| Grant for maintenance of St Paul's Cathedral         | 226,000        | 226,000        |
| Grant for Organ Scholar                              | 6,000          | 6,000          |
| <b>Governance</b>                                    |                |                |
| Audit Fees                                           | 6,690          | 6,690          |
| Release of amount over-accrued in prior year         | (430)          | -              |
| Bank Charges                                         | 16             | 108            |
| <b>Total Expenditure</b>                             | <b>257,708</b> | <b>322,737</b> |

During 2020 the Trust's investments were moved into two investment funds: the Sarasin Endowments Fund Class A Inc and Rathbone Unit Trust Mgmt Active Income & Growth Inc.

Following these transfers, the majority of the Trust's investment costs and charges, are charged as deductions within the funds, with the costs being reflected in the unit price of the funds, calculated daily. These deductions within funds totalled £54,298 in the year (2019: £34,595) and are reflected in investment gains and losses in the year and are not included in the Investment Management Charges of £19,432 (2019: £83,939).

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 3. Investments

|                                              | 2020<br>£    | 2019<br>£   |
|----------------------------------------------|--------------|-------------|
| Market Value at 1 January                    | 10,664,354   | 9,931,527   |
| Less: Disposals                              | (12,155,851) | (5,090,972) |
| Add: Acquisitions at Cost                    | 12,409,311   | 5,023,586   |
| Realised (Losses)/Gains                      | (153,373)    | 766,722     |
| Unrealised Gains                             | 893,719      | 31,220      |
| Movement on Portfolio cash balances          | (524,174)    | 2,272       |
| Other movements                              | 13,010       | -           |
| Market Value at 31 December                  | 11,146,996   | 10,664,354  |
| <b>Comprising;</b>                           |              |             |
| Government bonds                             | 274,750      | 884,414     |
| Other fixed interest/index-linked securities | 1,411,894    | 1,819,280   |
| UK Equities                                  | 2,467,526    | 2,467,983   |
| Global Equities                              | 5,053,788    | 3,333,182   |
| Alternative Investments                      | 1,487,210    | 1,634,321   |
| Liquid Assets / Cash within funds            | 450,828      | -           |
| Cash within the Portfolio                    | 1,000        | 525,174     |
| Market Value at 31 December                  | 11,146,996   | 10,664,354  |
| Historical Cost at 31 December               | 10,253,278   | 9,919,813   |

As at 31 December 2020 the investments were held in the following two funds.

|                                                      | Holding      | Price | 2020<br>£  |
|------------------------------------------------------|--------------|-------|------------|
| Sarasin Endowments Fund Class A Inc                  | 4,383,306.12 | £1.19 | 5,229,283  |
| Rathbone Unit Trust Mgmt Active Income & Growth Inc. | 4,303,378.62 | £1.37 | 5,916,713  |
| Cash                                                 |              |       | 1,000      |
| Market Value at 31 December                          |              |       | 11,146,996 |

### 4. Creditors - Amounts falling due within one year

|                            | 2020<br>£ | 2019<br>£ |
|----------------------------|-----------|-----------|
| St Paul's Cathedral        | 1,199     | 501,629   |
| Audit and Accountancy Fees | 6,690     | 6,690     |
| Portfolio Management Fees  | 2,245     | 21,188    |
|                            | 10,134    | 529,507   |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 5. Unrestricted funds

The funds of the Trust have included designated funds set aside out of general unrestricted funds by the Trustees to cover fluctuations in income and to provide for exceptionally heavy expenditure on the maintenance and repair of the fabric of St Paul's Cathedral from time to time. There are currently no funds set aside to designated funds.

### 6. Restricted funds

The funds of the Trust include one restricted fund, the Bill Miller Fund, comprising the unexpended balance of donations and grants held on trust, the income of which is to be allocated towards the cost of a Cathedral organ scholar.

|                               | Bill Miller Fund | Bill Miller Fund |
|-------------------------------|------------------|------------------|
|                               | 2020             | 2019             |
|                               | £                | £                |
| Balance at 1 January          | 202,528          | 188,646          |
| Income                        | 3,980            | 4,725            |
| Expenditure                   | (6,000)          | (6,000)          |
| Net Investment Gains          | 14,012           | 15,157           |
| <b>Balance at 31 December</b> | <b>214,520</b>   | <b>202,528</b>   |

### 7. Endowment fund

|                               | 2020              | 2019              |
|-------------------------------|-------------------|-------------------|
|                               | £                 | £                 |
| Balance at 1 January          | 10,476,138        | 9,777,292         |
| Movement in Funds:            |                   |                   |
| Income                        | -                 | -                 |
| Net Investment gains          | 726,334           | 782,785           |
| Investment management charges | (19,432)          | (83,939)          |
| Transfers                     | (1,439)           | -                 |
| <b>Balance at 31 December</b> | <b>11,181,601</b> | <b>10,476,138</b> |

### 8. Analysis of net assets

| 2020        | Unrestricted Funds | Restricted Funds | Endowment Funds   | Funds 2020        |
|-------------|--------------------|------------------|-------------------|-------------------|
|             | £                  | £                | £                 | £                 |
| Investments | -                  | 214,520          | 10,932,476        | 11,146,996        |
| Debtors     | -                  | -                | -                 | -                 |
| Cash        | 7,889              | -                | 251,370           | 259,259           |
| Creditors   | (7,889)            | -                | (2,245)           | (10,134)          |
|             | <b>-</b>           | <b>214,520</b>   | <b>11,181,601</b> | <b>11,396,121</b> |

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2020

| 2019        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Funds<br>2019<br>£ |
|-------------|----------------------------|--------------------------|-------------------------|--------------------|
| Investments | -                          | 202,528                  | 10,461,826              | 10,664,354         |
| Debtors     | 3,699                      | -                        | -                       | 3,699              |
| Cash        | 56,271                     | -                        | 506,361                 | 562,632            |
| Creditors   | (37,458)                   | -                        | (492,049)               | (529,507)          |
|             | <u>22,512</u>              | <u>202,528</u>           | <u>10,476,138</u>       | <u>10,701,178</u>  |

### 9. Trustees

None of the Trustees received any remuneration or reimbursement of expenses for the year (2019–£nil).

### 10. Related Party Transactions

There were no related party transactions in the year (2019 - £nil)

# City of London Endowment Trust for St. Paul's Cathedral

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12. Statement of financial activities for the year ended 31 December 2019

|                                                             | Unrestricted<br>Funds | Restricted<br>Funds | Endowment<br>Funds | Total Funds 2019  |
|-------------------------------------------------------------|-----------------------|---------------------|--------------------|-------------------|
|                                                             | £                     | £                   | £                  | £                 |
| <b>Income from:</b>                                         |                       |                     |                    |                   |
| Donations and Legacies                                      | 2,000                 | -                   | -                  | 2,000             |
| Investments                                                 | 253,310               | 4,725               | -                  | 258,035           |
| <b>Total income</b>                                         | <b>255,310</b>        | <b>4,725</b>        | <b>-</b>           | <b>260,035</b>    |
| <b>Expenditure on:</b>                                      |                       |                     |                    |                   |
| <b>Raising Funds</b>                                        |                       |                     |                    |                   |
| Investment Management Charges                               | -                     | -                   | 83,939             | 83,939            |
| <b>Charitable activities</b>                                |                       |                     |                    |                   |
| Maintenance of St Paul's Cathedral                          | 226,000               | -                   | -                  | 226,000           |
| Organ Scholar Grant to St Paul's Cathedral                  | -                     | 6,000               | -                  | 6,000             |
| Governance                                                  | 6,798                 | -                   | -                  | 6,798             |
| <b>Total expenditure</b>                                    | <b>232,798</b>        | <b>6,000</b>        | <b>83,939</b>      | <b>322,737</b>    |
| <b>Net income/(expenditure) before<br/>Investment Gains</b> | <b>22,512</b>         | <b>(1,275)</b>      | <b>(83,939)</b>    | <b>(62,702)</b>   |
| <b>Gains on Investment Assets</b>                           |                       |                     |                    |                   |
| Realised Gains                                              | -                     | 14,564              | 752,158            | 766,722           |
| Unrealised Gains                                            | -                     | 593                 | 30,627             | 31,220            |
| <b>Net income</b>                                           | <b>22,512</b>         | <b>13,882</b>       | <b>698,846</b>     | <b>735,240</b>    |
| Transfers                                                   | -                     | -                   | -                  | -                 |
| <b>Net Movement in Funds</b>                                | <b>22,512</b>         | <b>13,882</b>       | <b>698,846</b>     | <b>735,240</b>    |
| Fund Balances Brought Forward                               | -                     | 188,646             | 9,777,292          | 9,965,938         |
| <b>Fund Balances Carried Forward</b>                        | <b>22,512</b>         | <b>202,528</b>      | <b>10,476,138</b>  | <b>10,701,178</b> |