



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

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

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

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

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

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.

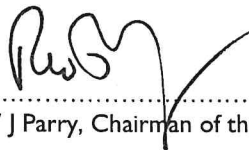
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities SORP (FRS 102). They are also responsible 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

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

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. 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

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

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

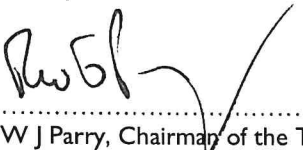
The Statement of Financial Activities for 2020 is included at Note 10 on page 17.

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

Balance Sheet as at 31 December 2021

	Notes	2021 £	2020 (restated) £
Fixed Assets			
Investments	3	12,017,482	11,146,996
Current Assets			
Debtors		-	-
Balance at Bank		9,283	259,259
		<u>9,283</u>	<u>259,259</u>
Liabilities			
Creditors: Amounts falling due within one year	4	(12,628)	(10,134)
Net Current (Liabilities)/Assets		(3,345)	249,125
Net assets		<u>12,014,137</u>	<u>11,396,121</u>
Represented by:			
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

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

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 £	2020 £
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 £
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 £
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 £	2020 £
St Paul's Cathedral	2,187	1,199
Audit and Accountancy Fees	8,400	6,690
Portfolio Management Fees	2,041	2,245
	12,628	10,134

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 2021 £	Bill Miller Fund 2020 £
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
Balance at 31 December	230,826	214,520

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 Funds £	Restricted Funds £	Funds 2021 £
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 Funds £ (Restated)	Restricted Funds £	Funds 2020 £
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 Funds (Restated) £	Restricted Funds £	Total Funds 2020 £
Income from:			
Donations and Legacies	2,000	-	2,000
Investments	206,325	3,980	210,305
Total income	208,325	3,980	212,305
Expenditure on:			
Raising Funds			
Investment Management Charges	19,432-	-	19,432
Charitable activities			
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
Total expenditure	251,708	6,000	257,708
Net expenditure before Investment Gains	(43,383)	(2,020)	(45,403)
Gains on Investment Assets			
Realised (Losses)/Gains	(150,470)	(2,903)	(153,373)
Unrealised Gains	876,804	16,915	893,719
Net income	682,951	11,992	694,943
Transfers	-	-	-
Net Movement in Funds	682,951	11,992	694,943
Fund Balances Brought Forward	10,498,650	202,528	10,701,178
Fund Balances Carried Forward	11,181,601	214,520	11,396,121

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

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

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 £	Restricted Funds £	Endowment Funds £	Funds 2020 £
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 £	Restricted Funds £		Funds 2020 £
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.