

COVENT GARDEN AREA TRUST
Company Limited by Guarantee
Financial Statements
31 March 2021

FERGUSON MAIDMENT & CO.

Chartered accountants & statutory auditor
167 Fleet Street
London
EC4A 2EA

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

CHAIRMAN'S STATEMENT

Introduction

The Covent Garden Area Trust (the Trust) was established to conserve the historic architecture, environment and unique qualities of the 97-acre Covent Garden area - bounded by Aldwych, Kingsway, High Holborn, Shaftesbury Avenue, Charing Cross Road and the Strand - situated right in the heart of London, England's capital city. The Trust's charitable objects were set down to be: to conserve, protect and enhance the properties for which it is Landlord (the Protected Lands); the conservation of the Covent Garden Area, its architectural character, its buildings and the development of its special qualities in the public interest; and the promotion of high standards of planning in the area and the promotion of both new and traditional uses, appropriate to the area.

This last year has presented the Trust with a number of challenges including the economic fallout from the Covid-19 pandemic and the drastic impact on every aspect of business and trade. Managing relationships with our freeholders in a way that is beneficial for recovering businesses but at the same time protects the valuable historical aspects of Covent Garden for future generations has also presented its challenges and requires ongoing tact and diplomacy, a degree of compromise, and astute forward thinking on the part of trustees. However, we have continued to work with our freeholder tenants to try to achieve the best outcomes possible for Covent Garden, along with Westminster City and Camden councils' planning and licensing teams, and with other interested parties.

The impact of the pandemic has led to many new challenges for retailers, restaurateurs, statutory bodies, landlords, residents and visitors alike and the process of re-evaluation and review of the Trust, which began at our first workshop in February 2020, is now more important than ever in order to ensure that it is fit to address them. The process of review and redefinition to determine how to best to deliver its objectives, broaden its horizons and make a more valuable contribution to the promotion of Covent Garden as a desirable destination will resume with further workshop sessions as soon as circumstances permit. The process will include a review and revision of the Trust's articles (as needed) and explore how it might raise its profile and work more effectively with partners to improve its role and influence for the benefit of Covent Garden.

To aid the Trust with its work as a guardian of Covent Garden, we have recently engaged the services of Miriam Holland, a freelance Heritage Planning Consultant with many years' experience working in the field of historic environment conservation and an educational background in archaeological history. It is our hope that Miriam's experience and practical knowledge will improve our ability to do our job of protecting the valuable heritage aspects of Covent Garden that have been entrusted to us.

The Trust's objectives for 2021-22 will thus be determined to a large extent by the outcomes of the workshop(s), but will include to:

- Continue to protect the properties for which it is Landlord
- Continue to promote the conservation and enhancement of the wider Covent Garden Area
- Review, update and amend out Articles of Association as needed
- Devise and implement a Communications Strategy
- Refresh key Trust documents; the Environmental Study & Caring for Covent Garden in particular
- Increase and improve engagement and collaboration with stakeholders, members and the wider community.
- Review the Trust's office accommodation needs.

COVENT GARDEN AREA TRUST

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The Protected Lands

The Trust is landlord under five underleases, each held for a term of 150 years less 1 day from 24th June 1988. The demised premises known collectively as 'The Protected Lands are: The Market Covent Garden; 25, 26, 27 and 28 James Street and 7 Floral Street; Bedford Chambers (including Cubitt's Yard, 9-10 Floral Street and 7A and 8 Floral Street); and land and buildings fronting The Piazza Covent Garden and also Russell Street, Wellington Street and Tavistock Street. The leases give the Trust powers which enable it to fulfil its objective to conserve and protect the buildings and character of the area.

Applications for Consent

Applications were received in respect of the following Protected Lands estate during the financial year 1st April 2020 to 31st March 2021:

Apr-20	Unit 20 market building, Bubblewrap – Alterations
Apr-20	Units 35, 36, 45 and 7 market building, Sushi Samba - Alterations
Apr-20	Unit 12 market building, Neuhaus – Change of use
Jul-20	Opera terrace, market building - Alterations
Sep-20	Unit 12 market building, Neuhaus – Alterations
Sep-20	31 James Street, Landlord's works (Lothbury) – Change of use
Nov-20	Unit 27b, NaNa – Change of use
Nov-20	31 James Street, Landlord's works (Lothbury) - Alterations
Mar-21	Unit 5a market building, Sacred Gold - Change of use

Trust Matters

CGAT Chairperson

Since March 2020, Peter Scutt has continued to serve as Trust Chair, with Joanna Chambers and Chris Mason continuing to serve as joint Vice Chairs. Whilst the Trust's constitution permits its chairman to stay in post for 5 years, Peter's intent was always to hold the post for one year, with fresh elections being held after this transitional period.

The pandemic and its extraordinary circumstances over the last almost 2 years have changed many things, but monthly Council meetings continued together with meetings of the new Governance, Planning and Communications subgroups (made possible by the use of the Zoom platform) and several of the objectives set have been progressed, if not fully delivered. It was not safe to make use of the Trust's office or the general facilities at Covent Garden Community centre for most of the last 18 months, but our Administrator, working mostly from home, was able to continue to provide support & keep the Trust fully functioning.

As mentioned above, in July 2021 the Trust engaged the services of a freelance Heritage Planning Consultant (Miriam Holland) to ensure the submission of robust responses to planning applications and local consultations that reflect the Trust's mission to protect and preserve Covent Garden.

The subgroups, mentioned above, continue to work well and have taken an enormous amount of pressure off the Council meeting agendas. Most recently, these subgroups have helped to expedite the recruitment of our Heritage Planning Consultant and have also helped the Trust to make decisions that will hopefully safeguard accumulated funds.

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Year ended 31 March 2021

As mentioned, early in 2020 the Trust held a strategy workshop to focus greater attention on its role and to discern how that role could perhaps be expanded. Following clarification of our mission statement, the next workshop session (delayed due to the pandemic) will focus on the development of a stakeholder communications strategy that will enable the Trust to work more closely with its partners and members.

Wider Covent Garden Area

The Trust has again this year been consulted on developments within the Covent Garden, Seven Dials and Bloomsbury conservation areas. We have had an active role in supporting opposition to the 1 Museum Street development, which we feel would be detrimental to both local residents and the local area.

We have consulted extensively with those responsible for the Wellington Block redevelopment and the 90 Long Acre project and were also given the opportunity to comment on Capco's draft external dining guide, an important piece of work that we hope will respect and protect Covent Garden's market building and piazza.

Trust Rent Ceremony

Although we would very much have liked to hold the Rent Ceremony this year as usual, we felt that it was still unsafe to do so given the impact of the still highly transmissible Covid-19 virus. We hope that next year will bring more certainty and will allow us to hold the Rent Ceremony and to mark its return with a special celebration.

Trust Finances

Following talks with our freeholder partners, and in view of the difficult year many businesses have had, the Trust decided not to increase its fees for the review of freehold applications in 2021.

The Governance subgroup made the decision earlier in the year to open a number of new bank accounts and to increase its investments in order to qualify for financial protection under the FSCS (Financial Services Compensation Scheme) and has updated both its Reserves Policy and its Investment Policy to reflect that.

The Trust's bank reserves are held in the following accounts:

Aldermore Easy Access savings account	£84,615
Aldermore 1 Year Fixed Rate savings account	£101,547
Lloyds Treasurers Business account	£204,293

The combined income from bank interest for the year 2020-21 was £2,019 (2019-20: £1,690).

The Trust's investment of £25,000 in undated preference shares with Canaccord Genuity Wealth Management has a current value of £25,068.

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Year ended 31 March 2021

The Trust's total income slightly decreased compared to the previous year to £122,714 (2019-20: £134,246) despite reflecting a 7.34% increase in ground rent income. The increase in ground rent income was offset by decreases in income from applications for change of use and alterations. Overall expenditure has decreased from the previous year to £55,724 (2019-20: £72,873) reflecting a favourable movement in current investments as well as no Rent Ceremony expenditure.

Trustees

Trustees and members will have the opportunity to vote for a new Chair and Vice Chair at the AGM in November should they wish to do so, or should our current Chairs wish to stand down.

In April 2021 one of our RIBA nominated trustees, Chris Betts, stood down after a period of 14 years in order to focus on other commitments.

Faye Davies (also RIBA nominated) joined the Trust in May 2021 and brings with her over 20 years' experience as a specialist conservation architect.

Our thanks go to:

We continue to work collaboratively with Capco Covent Garden, Lothbury Investment Management, Westminster and Camden Councils, the Seven Dials Trust and the Covent Garden Community Association. As mentioned earlier, we also had the opportunity to work with the Bloomsbury Association and a number of other local partners, on the 'Save Museum Street' campaign, thereby further extending our expertise and influence.

We'd like to thank Andrew Hicks and his colleagues at Capco Covent Garden for working with us to protect and preserve Covent Garden. And we acknowledge their efforts to keep the Trust informed of developments within the market building and piazza during what can only be described as a very difficult year.

Thanks also to our dedicated Trustees for their hard work and support throughout the year, including Chris Betts who recently left the Trust after 14 years – we wish him all the best for the future.

Thanks to the Trust's Administrator, Alana Rhoden, for her efforts to coordinate the Trust's business effectively and on time.

Thanks to Justine Morris, our Surveyor, for her advice and support; to our lawyers, Farrer & Co and to our auditors, Ferguson Maidment & Co.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Reference and administrative details

Registered charity name COVENT GARDEN AREA TRUST

Charity registration number 299874

Company registration number 02280893

Principal office and registered office 42 Earlham Street
Covent Garden
London
WC2H 9LA
United Kingdom

The Trustees

Peter Scutt	(Chairman)
Elizabeth Bax	(Elected)
Faye Davies	(Nominated by RIBA 3 rd May 2021)
Christopher Betts	(Resigned 6 th April 2021)
Joanna Chambers	(Nominated by RTP1)
Paul Dimoldenberg	(Nominated by Westminster City Council)
Chris Mason	(Co-opted in January 2019)
Ben Oliver	(Nominated by ROH 7 th August 2018)
Mark Shearer	(Nominated by Westminster City Council)
Ranjit Singh	(Nominated by Camden Council 3 rd September 2019)
Terry St.Clair	(Elected at AGM 27 th November 2018)
Paul Velluet	(Elected 4 th July 2018)
Josephine Weir	(Nominated by CGCA)
Jim Monahan	(Elected at AGM 27 th November 2019)
Paul Fisher	(Resigned 9 th January 2020)

Auditor Ferguson Maidment & Co.
Chartered accountants & statutory auditor
167 Fleet Street
London
EC4A 2EA

Bankers Aldemore Bank
1st Floor
Block B Western House
Lynch Wood
Peterborough

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

COVENT GARDEN AREA TRUST

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Structure, governance and management

Covent Garden Area Trust is a registered charity with the Charity Commission under the Charities Act 2011.

a) Constitution

The Foundation is registered as a charitable company limited by guarantee and was set up by Memorandum and Articles of Association dated 13 August 1988.

b) Appointment of Trustees

The appointment of new and additional Trustees rests with the existing Trustees, confirmed by members at the AGM.

c) Policies adopted for the induction and training Trustees

Every Trustee is provided with relevant Charity Commission leaflets and literature. There is no formal induction process, but a prospective trustee will be invited to attend a trustees' meeting to discuss the nature of the Foundation and the responsibilities of Trustees.

d) Organisational structure and decision making

The Trustees meet regularly to manage the affairs of the Trust. Day to day management is delegated to the Administrator who reports to the Chairman in terms of his or her role as an employee of the Trust.

e) Risk Management

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

Objectives and activities

The principal activities of the charity are the conservation of the Covent Garden area and its architectural character and the development of its special qualities in the public interest, including the preservation of its mix of residential, business and other uses which characterise the area. Its objects are also the protection, maintenance, enhancement and promotion of the Covent Garden Protected Lands and their popularity and reputation as an attractive area providing high quality shopping and catering facilities together with other appropriate quality uses from time to time.

The board of Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on the public benefit of the charity.

Achievements and performance

A full report of the charity's achievements and performance during the year is provided in the Chairman's statement on pages 1 to 4.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Financial review

A financial review of the charity is provided in the Chairman's statement on pages 1 to 4.

Reserves and reserves policy

A full review of the reserves and reserves policies are shown in the Chairman's Statement on pages 1 to 4.

Plans for future periods

A full review of the plans for future periods is contained within the Chairman's statement on pages 1 to 4.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 4 November 2021 and signed on behalf of the board of trustees by:



Peter Scutt
Chairman

The statement was written by Peter Scutt, Chairman 2021

COVENT GARDEN AREA TRUST

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Trustees' Responsibilities Statement

Year ended 31 March 2021

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Independent Auditor's Report to the Members of COVENT GARDEN AREA TRUST

Year ended 31 March 2021

Opinion

We have audited the financial statements of COVENT GARDEN AREA TRUST (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Independent Auditor's Report to the Members of COVENT GARDEN AREA TRUST *(continued)*

Year ended 31 March 2021

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) 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.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Independent Auditor's Report to the Members of COVENT GARDEN AREA TRUST *(continued)*

Year ended 31 March 2021

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

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 from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Independent Auditor's Report to the Members of COVENT GARDEN AREA TRUST *(continued)*

Year ended 31 March 2021

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

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework;
- obtaining an understanding of the Charity's policies and procedures and how the entity has complied with these, through discussions and sample testing; and
- performing audit testing over the risk of management override of control and reviewing accounting estimates for bias.

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

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

A further description of our responsibility 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.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

167 Fleet Street
London
EC4A 2EA

Paul Manalo (Senior Statutory Auditor)
For and on behalf of
Ferguson Maidment & Co.
Chartered accountants & statutory auditor

COVENT GARDEN AREA TRUST

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Charitable activities	5	119,701	119,701
Investment income	6	902	902
Other income	7	2,111	2,111
Total income		<u>122,714</u>	<u>122,714</u>
Expenditure			
Expenditure on charitable activities	8,9	55,724	55,724
Total expenditure		<u>55,724</u>	<u>55,724</u>
Net income and net movement in funds		<u>66,990</u>	<u>66,990</u>
Reconciliation of funds			
Total funds brought forward		342,595	342,595
Total funds carried forward		<u>409,585</u>	<u>409,585</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 23 form part of these financial statements.

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Statement of Financial Position

31 March 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible fixed assets	15		7,829	7,918
Current assets				
Debtors	16	18,378		16,045
Investments	17	25,068		21,777
Cash at bank and in hand		390,455		327,827
		<u>433,901</u>		<u>365,649</u>
Creditors: amounts falling due within one year	18	<u>32,145</u>		<u>30,972</u>
Net current assets			<u>401,756</u>	<u>334,677</u>
Total assets less current liabilities			<u>409,585</u>	<u>342,595</u>
Net assets			<u>409,585</u>	<u>342,595</u>
Funds of the charity				
Unrestricted funds			<u>409,585</u>	<u>342,595</u>
Total charity funds	21		<u>409,585</u>	<u>342,595</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 4 November 2021, and are signed on behalf of the board by:



Peter Scutt
Trustee

The notes on pages 15 to 23 form part of these financial statements.

COVENT GARDEN AREA TRUST

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Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 42 Earlham Street, Covent Garden, London, WC2H 9LA, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Current asset investments

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

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from charitable activities is recognised when earned.
- income from other sources is recognised when receivable.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Furniture & Equipment - 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Covent Garden Area Trust is a charitable company limited by guarantee and registered in England & Wales and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rent receivable	102,913	102,913	95,874	95,874
Legal and survey fees - applications by tenants	60	60	60	60
Administration fees - applications by tenants	16,728	16,728	35,358	35,358
	<u>119,701</u>	<u>119,701</u>	<u>131,292</u>	<u>131,292</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from listed investments	<u>902</u>	<u>902</u>	<u>—</u>	<u>—</u>

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Sundry donations	92	92	310	310
Bank and building society interest	<u>2,019</u>	<u>2,019</u>	<u>2,644</u>	<u>2,644</u>
	<u>2,111</u>	<u>2,111</u>	<u>2,954</u>	<u>2,954</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Direct costs	8,187	8,187	12,284	12,284
Support costs	<u>47,537</u>	<u>47,537</u>	<u>60,589</u>	<u>60,589</u>
	<u>55,724</u>	<u>55,724</u>	<u>72,873</u>	<u>72,873</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021 £	Total fund 2020 £
Direct costs	8,187	44,502	52,689	68,498
Governance costs	<u>—</u>	<u>3,035</u>	<u>3,035</u>	<u>4,375</u>
	<u>8,187</u>	<u>47,537</u>	<u>55,724</u>	<u>72,873</u>

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

10. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
Staff costs	22,555	22,555	21,293
Premises	20,000	20,000	20,000
Communications and IT	635	635	1,934
General office	1,314	1,314	12,986
Governance costs	3,033	3,033	4,375
	<u>47,537</u>	<u>47,537</u>	<u>60,588</u>

11. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>89</u>	<u>119</u>

12. Auditors' remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>2,650</u>	<u>2,650</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	21,810	20,592
Employer contributions to pension plans	745	702
	<u>22,555</u>	<u>21,294</u>

The average head count of employees during the year was 1 (2020: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of staff	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

During the year, no remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2020 - Nil). No members of the Board of Trustees received reimbursement of expenses (2020 - Nil).

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. Tangible fixed assets

	Fixtures and fittings £	Library collection £	Total £
Cost			
At 1 April 2020 and 31 March 2021	<u>26,650</u>	<u>7,562</u>	<u>34,212</u>
Depreciation			
At 1 April 2020	26,294	—	26,294
Charge for the year	<u>89</u>	<u>—</u>	<u>89</u>
At 31 March 2021	<u>26,383</u>	<u>—</u>	<u>26,383</u>
Carrying amount			
At 31 March 2021	<u>267</u>	<u>7,562</u>	<u>7,829</u>
At 31 March 2020	<u>356</u>	<u>7,562</u>	<u>7,918</u>

The Library Collection's value is reviewed annually. In the opinion of the trustees, its current value exceeds its book value and, in order to present a true and fair view, no depreciation is provided for.

16. Debtors

	2021 £	2020 £
Trade debtors	8,096	5,824
Prepayments and accrued income	5,282	5,221
Other debtors	5,000	5,000
	<u>18,378</u>	<u>16,045</u>

17. Investments

	2021 £	2020 £
Current asset investment	<u>25,068</u>	<u>21,777</u>

18. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	3,350	3,350
Social security and other taxes	1,886	870
Deferred income	25,796	25,530
Other creditors	1,113	1,222
	<u>32,145</u>	<u>30,972</u>

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

19. Deferred income

Deferred Income relates to rent receivable in advance that spreads across two accounting periods.

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £745 (2020: £702).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
General funds	<u>342,595</u>	<u>122,714</u>	<u>(55,724)</u>	<u>409,585</u>

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
General funds	<u>281,222</u>	<u>134,246</u>	<u>(72,873)</u>	<u>342,595</u>

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	7,829	7,829
Current assets	433,901	433,901
Creditors less than 1 year	<u>(32,145)</u>	<u>(32,145)</u>
Net assets	<u>409,585</u>	<u>409,585</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	7,919	7,919
Current assets	365,648	365,648
Creditors less than 1 year	<u>(30,972)</u>	<u>(30,972)</u>
Net assets	<u>342,595</u>	<u>342,595</u>

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	30,000	50,000
Later than 1 year and not later than 5 years	–	95
	<u>30,000</u>	<u>50,095</u>

24. Related parties

No related party transactions have been entered into during the year that need to be disclosed under FRS 102.