

COMPANY REGISTRATION NUMBER: 02280893  
CHARITY REGISTRATION NUMBER: 299874

**COVENT GARDEN AREA TRUST**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 March 2022**

**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 2022**

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# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

Year ended 31 March 2022

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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 2022.

#### CHAIRMAN'S STATEMENT

##### Introduction

The Covent Garden Area Trust (CGAT) was originally established (in 1988) 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 in the heart of our capital city. The Trust's charitable objects were set down to be:

- to conserve, protect and enhance the properties for which it is Landlord (also known as 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.

Having survived the worst of the Covid pandemic, the Trust was able to conclude the review of its purpose, identity and ongoing role, first started in February 2020, with a workshop held in March this year. A mission statement was adopted, to summarise:

*Celebrating, conserving and enhancing the special character of Covent Garden for the benefit and enjoyment of all.*

The need 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 became more crucial than ever in a time of unprecedented commercial and social challenge.

During the year to March 2022 businesses in Covent Garden have seen something of an economic recovery, though this has largely been in the leisure, food and beverage sectors as customers reacted to the easing of restrictions on movement and socialising. A recovery of financial losses and investment made during the pandemic is sought by tenants and landlords alike, but the growing task for the Trust has been to strike a balance between business recovery and growth, and the preservation of our area's character and heritage assets and increasingly, the potential impact on the residential community. However, we have continued to work with our landlords, tenants, and developers, along with Westminster City and Camden councils and other interested parties to try to achieve the best outcomes possible for Covent Garden.

Managing relationships in a way that is beneficial for recovering businesses but at the same time protects the valuable heritage assets of Covent Garden for future generations will continue to present challenges and requires ongoing tact and diplomacy, a degree of compromise, and astute forward thinking on the part of trustees.

Appointed as the Trust's Heritage Planning Consultant in July 2021, Miriam Holland has provided invaluable advice and guidance in respect of the many planning applications considered. In a number of cases this has enabled our Planning subgroup to lodge authoritative objections to harmful or unsuitable proposals and to support those which have been considered to have merit.

Two other subgroups established in the last year have also helped to achieve significant steps forward. The Communications subgroup concluded the workshop sessions in March and assisted our Administrator in updating the web site. Planning and delivering the return of our Rent Ceremony for this

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# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

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June, and to deliver on a policy objective, a recruitment programme was launched to expand our membership and to better communicate with local stakeholders and the wider community. The Governance subgroup approved a major exercise by our Administrator to review and bring into line with best practice our financial holdings, ensuring that our finances are safe and better managed. A future review of the Trust's policies and procedures will ensure that we are compliant with rules and regulations relating to charitable trusts and operate in a more open and transparent way.

The Trust's objectives for 2022-23 have been largely determined by our earlier workshop sessions, but will also inevitably be influenced by changing events, both local and national:

- Continue to protect the properties for which it is Landlord
- Continue to promote the conservation and enhancement of the wider Covent Garden Area
- Complete the review, update and amendment of our Articles of Association
- Refresh key Trust documents; the Environmental Study & Caring for Covent Garden in particular
- Complete our office move and capitalise on the opportunities our new accommodation affords
- Increase and improve engagement and collaboration with stakeholders, members and the wider community
- Identify new activities to celebrate and enhance the special character of Covent Garden. Sustaining a distinctive place in the heart of London.

#### **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 building, Covent Garden;
- 25, 26, 27 and 28 James Street and 7 Floral Street;
- Bedford Chambers (including Cubitt's Yard);
- 9-10, 7a and 8 Floral Street;
- Land and buildings fronting Covent Garden's piazza
- 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.

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

Year ended 31 March 2022

#### Applications for Consent

We remain indebted to our Surveyor, Justine Morris, whose experience and expertise allows her to provide us with invaluable guidance in considering proposed alterations, changes of use and other property management matters requiring the Trust's consent as landlord. Applications were received in respect of the following Protected Lands properties during the year 1st April 2021 to 31st March 2022:

Date	Property	Application type
April 2021	31 James Street	Alterations
April 2021	Unit 3a Market Building	Alterations
June 2021	Unit 42 Market Building	Change of use
June 2021	Unit 15 Market Building	Change of use
July 2021	Unit 34 Market Building	Change of use
July 2021	Unit 15 Market Building (basement)	Change of use
July 2021	Unit 5a Market Building	Alterations
July 2021	Unit 15 Market Building	Alterations
July 2021	Unit 34 Market Building	Alterations
August 2021	Barrow 3, East Colonnade Barrows, the market	Change of use
September 2021	Unit 33 Market Building	Alterations
September 2021	Unit 42 Market Building	Alterations
November 2021	Unit 11 Market Building	Change of use
November 2021	Unit 11 Market Building	Alterations
November 2021	Unit 15 Market Building	Alterations
November 2021	Unit 34 Market Building	Change of use
November 2021	Unit 34 Market Building	Alterations
January 2022	Unit 15 (basement) market building	Alterations
January 2022	Unit 32 Market Building	Change of use
January 2022	Unit 32 Market Building	Alterations
January 2022	Unit 19 Market Building	Change of use
January 2022	London Transport Museum	Alterations
February 2022	Unit 8 (ground floor) Market Building	Change of use
March 2022	Unit 42 Market Building	Change of use

#### **Trust Matters**

##### CGAT Chairperson

Peter Scutt has continued to serve as Trust Chair, with Joanna Chambers and Chris Mason remaining as joint Vice Chairs in support. In the absence of any alternative candidates making themselves known, Peter will continue in this role for a further year.

Monthly Council meetings resumed on a face-to-face basis in our office in the later part of this year; though we continued to use the Zoom platform for those who preferred or were unable to attend in person.

Meetings of the Governance, Planning and Communications subgroups were also held when required (some via Zoom) and a number of the objectives previously set were achieved. Notably, the Comms group worked on various additions and improvements to our web site, including commissioning a video by Julian McDonald, embarked on a program of recruitment for new trustees and planned for the return this summer of our Rent Ceremony. The Governance subgroup continued to deliver the Trust's investment strategy, diversifying fund investment – as detailed below. It also began the search for

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

#### Year ended 31 March 2022

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alternative office space as the lease on our accommodation at the Covent Garden Community Centre expired in October 2022. The Planning subgroup met on a number of occasions and as well as formulating responses to planning applications directly relating to the Protected Lands, considered applications for the wider Covent Garden area.

#### 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 continue to be active in supporting opposition to the 1 Museum Street development, which we feel would be detrimental to both local residents and the greater Covent Garden area. Extensive consultations were held with the would-be developers (The Portfolio Club) of the Wellington Block and the 90 Long Acre project, which is now well under way. In January 2022 we first learned of plans by Diageo (the makers of Guinness) to develop the Brewer's Yard area to create a new 'microbrewery and culture hub'.

There were a number of initiatives from businesses, supported by Westminster City Council (WCC) involving the expansion of trade (principally by the use of new 'sitting out areas') into the areas outside of existing premises. Discussions were held with Capco & WCC on a number of these proposals for both the Market piazza and local streets in general, making use of an external dining guide drafted by Capco. Despite this, we later had to object to a planning application for the conversion of a large area of the south-eastern piazza into a sitting out area for market unit 27a (t/a NaNa) in the most strenuous terms. Disappointingly, consent was nevertheless granted in March 2022. Some comfort was gained however from the refusal of a planning application to allow the location of a large pizza oven outside Market unit 21 (t/a VyTa).

Discussions initiated with WCC officers back in October 2021 regarding the need for a Conservation Audit, have yet to bear fruit.

#### Trust Rent Ceremony

As mentioned above, the Communications subgroup worked on plans for the return of our ceremony for June 2022. The event was not considered safe to hold during the previous two years due to the Covid pandemic.

#### Trust Finances

In order to meet our own rising costs and in view of the hiatus on fee increases due to Covid's negative impact on businesses over the last few years, the Trust decided to slightly increase its fees once again earlier this year (however, quite some way below the rise in inflation).

Thankfully, the Trust's finances are relatively healthy, but this financial year our outgoings have included expenses related to our office relocation and legal advice on the Diageo (Guinness) development at Old Brewer's Yard. The unexpected outcome of the Diageo planning application highlights the need for financial foresight and prudence on the part of trustees.

With that in mind, our Governance subgroup made the decision last 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.

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

Year ended 31 March 2022

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

<b>Aldermore Easy Access</b> savings account	<b>£85,041</b>
<b>Aldermore 1 Year Fixed Rate</b> savings account	<b>£102,142</b>
<b>Lloyds Treasurers Business</b> account	<b>£107,867</b>
<b>United Trust Bank</b> charity deposit account	<b>£80,000</b>
<b>Cambridge &amp; Counties</b> fixed rate bond	<b>£75,000</b>

The combined income from bank interest for the year 2021-22 was £1,022 (interest in 2020-21 totalled £2,019).

The Trust's investment of £25,000 in undated preference shares with Canaccord Genuity Wealth Management has a current value of £25,657.

The Trust's total income increased significantly compared to the previous year totalling £143,891 (2020-21: £122,714) reflecting a 3.32% increase in ground rent income and a 135% increase in income from applications for change of use and alterations. Overall expenditure has increased from the previous year to £87,427 (2020-21: £55,724) reflecting increased surveyor fees as well as the use of a planning & heritage consultant in the year contributing to increased legal & professional fees.

#### Trustees

Following our successful recruitment programme, we have gained several new members this autumn, some of whom will be standing for election to the Trust Council at the AGM.

In May 2021 we welcomed the new nominee of the RIBA, Faye Davies, who replaced Chris Betts who stood down after a period of 14 years as a trustee. Faye 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 have also had the opportunity to continue to work with the Bloomsbury Association and a number of other local partners, on such issues as the 'Save Museum Street' campaign, thereby further extending our knowledge, experience and influence.

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

Thanks also to our dedicated trustees for their hard work and support throughout the year, including Ranjit Singh, the representative of LB Camden who left the Trust in May this year after standing down as a ward Councillor (we are liaising with Camden in the hope of securing a replacement). We were also sad to say goodbye to Paul Dimoldenberg who had represented Westminster City Council for many years. However, we were delighted to welcome on board Cllr Jessica Toale this summer who replaces Paul as the second nominated representative of WCC.

Thanks to the Trust's Administrator Alana Rhoden, for her coordination of the Trust's business effectively and on time, and in particular for her hard work in securing us new office accommodation and moving us into it.

Thanks to Justine Morris (our Surveyor) and to Miriam Holland (our Heritage Consultant), for their advice and support; to our lawyers, Farrer & Co and to our auditors, Ferguson Maidment & Co.

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# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

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

Year ended 31 March 2022

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#### 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 <sup>rd</sup> May 2021)
Christopher Betts	(Resigned 6 <sup>th</sup> April 2021)
Joanna Chambers	(Nominated by RTP)
Paul Dimoldenberg	(Nominated by Westminster City Council, Resigned 3 <sup>rd</sup> May 2022)
Chris Mason	(Co-opted in January 2019)
Ben Oliver	(Nominated by ROH)
Mark Shearer	(Nominated by Westminster City Council)
Ranjit Singh	(Nominated by Camden Council, Resigned 3 May 2022)
Terry St.Clair	(Elected)
Paul Velluet	(Elected)
Josephine Weir	(Nominated by CGCA)
Jim Monahan	(Elected)

#### Auditor

Ferguson Maidment & Co.  
Chartered accountants & statutory auditor  
8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

#### Bankers

Aldemore Bank  
1st Floor  
Block B Western House  
Lynch Wood  
Peterborough  
PE2 6FZ

Lloyds Banking Group  
Fourth Floor  
25 Gresham Street  
London  
EC2V 7HN



# **COVENT GARDEN AREA TRUST**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2022**

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

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

#### **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.

#### **Appointment of Trustees**

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

#### **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 organisation and the responsibilities of Trustees.

#### **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 Chair in terms of his or her role as an employee of the Trust.

#### **Risk Management**

Trustees have assessed the major risks to which the organisation 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, 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 5.

# COVENT GARDEN AREA TRUST

Company Limited by Guarantee

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

Year ended 31 March 2022

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## Financial review

A financial review of the charity is provided in the Chairman's statement on pages 1 to 5.

## Reserves and reserves policy

A full review of the reserves and reserves policies are shown in the Chairman's Statement on pages 1 to 5.

## Plans for future periods

A full review of the plans for future periods is contained within the Chairman's statement on pages 1 to 5.

## 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 14<sup>th</sup> November 2022 and signed on behalf of the board of trustees by:



Peter Scutt  
Chairman

This statement was written on behalf of Peter Scutt, Chairman 2022

# **COVENT GARDEN AREA TRUST**

## **Company Limited by Guarantee**

### **Trustees' Responsibilities Statement**

**Year ended 31 March 2022**

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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 2022**

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#### **Opinion**

We have audited the financial statements of COVENT GARDEN AREA TRUST (the 'charity') for the year ended 31 March 2022 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 2022 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**

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.

# 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 2022

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### 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.

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.
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# **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 2022**

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#### **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.

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 recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees 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 Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# **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 2022**

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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.

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;
- obtaining an understanding of the charity's risk assessment process, including the risk of fraud; and
- designing our audit procedures to respond to our risk assessment;

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

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

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

# 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 2022

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### 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.



Paul Manalo FCA (Senior Statutory Auditor)

8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

For and on behalf of  
Ferguson Maidment & Co.  
Chartered accountants & statutory auditor

17/11/2022



# COVENT GARDEN AREA TRUST

Company Limited by Guarantee

## Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		2022		2021
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
<b>Income and endowments</b>				
Charitable activities	5	141,908	141,908	119,701
Investment income	6	902	902	902
Other income	7	1,082	1,082	2,111
<b>Total income</b>		143,892	143,892	122,714
<b>Expenditure</b>				
Expenditure on charitable activities	8,9	87,428	87,428	55,724
<b>Total expenditure</b>		87,428	87,428	55,724
<b>Net income and net movement in funds</b>		56,464	56,464	66,990
<b>Reconciliation of funds</b>				
Total funds brought forward		409,585	409,585	342,595
<b>Total funds carried forward</b>		466,049	466,049	409,585

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 17 to 25 form part of these financial statements.

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2022

	Note	2022 £	£	2021 £
<b>Fixed assets</b>				
Tangible fixed assets	15		7,762	7,829
<b>Current assets</b>				
Debtors	16	14,874		18,378
Investments	17	25,657		25,068
Cash at bank and in hand		450,050		390,455
		490,581		433,901
<b>Creditors: amounts falling due within one year</b>	18	32,294		32,145
<b>Net current assets</b>			458,287	401,756
<b>Total assets less current liabilities</b>			466,049	409,585
<b>Net assets</b>			466,049	409,585
<b>Funds of the charity</b>				
Unrestricted funds			466,049	409,585
<b>Total charity funds</b>	21		466,049	409,585

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 14<sup>th</sup> November 2022 and are signed on behalf of the board by:



Peter Scutt  
Chairman

The notes on pages 17 to 25 form part of these financial statements.

# **COVENT GARDEN AREA TRUST**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2022**

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#### **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.

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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#### 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 2022

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#### 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
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##### **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 2022

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#### 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 2022

#### 5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rent receivable	102,426	102,426	102,913	102,913
Legal and survey fees - applications by tenants	97	97	60	60
Administration fees - applications by tenants	39,385	39,385	16,728	16,728
	<u>141,908</u>	<u>141,908</u>	<u>119,701</u>	<u>119,701</u>

#### 6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	902	902	902	902

#### 7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sundry donations	60	60	92	92
Bank and building society interest	1,022	1,022	2,019	2,019
	<u>1,082</u>	<u>1,082</u>	<u>2,111</u>	<u>2,111</u>

#### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Direct costs	17,665	17,665	8,187	8,187
Support costs	69,763	69,763	47,537	47,537
	<u>87,428</u>	<u>87,428</u>	<u>55,724</u>	<u>55,724</u>

#### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Direct costs	17,665	51,975	69,640	52,689
Governance costs	—	17,788	17,788	3,035
	<u>17,665</u>	<u>69,763</u>	<u>87,428</u>	<u>55,724</u>

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Staff costs	24,485	<b>24,485</b>	22,555
Premises	20,000	<b>20,000</b>	20,000
Communications and IT	2,903	<b>2,903</b>	634
General office	4,587	<b>4,587</b>	1,314
Governance costs	17,787	<b>17,787</b>	3,033
	<u>69,762</u>	<u><b>69,762</b></u>	<u>47,536</u>

#### 11. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u><b>67</b></u>	<u>89</u>

#### 12. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u><b>2,650</b></u>	<u>2,650</u>

#### 13. Staff costs

The average head count of employees during the year was 1 (2021: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of staff	<u><b>1</b></u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2021: 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 (2021 - Nil). No members of the Board of Trustees received reimbursement of expenses (2021 - Nil).



# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 15. Tangible fixed assets

	Fixtures and fittings £	Library collection £	Total £
<b>Cost</b>			
At 1 April 2021 and 31 March 2022	26,650	7,562	34,212
<b>Depreciation</b>			
At 1 April 2021	26,383	—	26,383
Charge for the year	67	—	67
<b>At 31 March 2022</b>	<b>26,450</b>	<b>—</b>	<b>26,450</b>
<b>Carrying amount</b>			
At 31 March 2022	200	7,562	7,762
At 31 March 2021	267	7,562	7,829

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

	2022 £	2021 £
Trade debtors	3,903	8,096
Prepayments and accrued income	5,247	5,282
Other debtors	5,724	5,000
	<b>14,874</b>	<b>18,378</b>

#### 17. Investments

	2022 £	2021 £
Current asset investment	25,657	25,068

#### 18. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	2,650	3,350
Social security and other taxes	1,093	1,886
Deferred income	26,649	25,796
Other creditors	1,902	1,113
	<b>32,294</b>	<b>32,145</b>

# COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

## 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 £879 (2021: £745).

## 21. Analysis of charitable funds

### Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	409,585	143,892	(87,428)	466,049

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

## 22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	7,762	7,762
Current assets	489,857	489,857
Creditors less than 1 year	(31,570)	(31,570)
<b>Net assets</b>	<b>466,049</b>	<b>466,049</b>

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

# COVENT GARDEN AREA TRUST

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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#### 23. Operating lease commitments

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

	2022	2021
	£	£
Not later than 1 year	10,000	30,000

#### 24. Related parties

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

