

COMPANY REGISTRATION NUMBER: 02280893
CHARITY REGISTRATION NUMBER: 299874

COVENT GARDEN AREA TRUST
Company Limited by Guarantee
Financial Statements
31 March 2023

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 2023

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

Year ended 31 March 2023

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 2023.

CHAIRMAN'S STATEMENT

Introduction

The mission of the Covent Garden Area Trust (CGAT) is, in part, to 'celebrate, conserve, and enhance the special character of Covent Garden'. The Trust is legally responsible for the 'protected lands' which are comprised of historic buildings and streets within the Covent Garden Conservation Area and include:

- Covent Garden's market building, built in 1831 to house London's main fruit and vegetable market;
- Bedford Chambers, the elegant, arcaded building north-west of the Piazza, which dates back to 1870;
- the museum block, which currently houses the London Transport Museum and Russell Chambers;
- 25-31 James Street, and
- 7,9 and 10 Floral Street.

The corresponding underlease for each of the above plots of land (held for a term of 150 years less 1 day from 24th June 1988) gives the Trust powers which enable it to fulfil its objective to conserve and protect the buildings and character of the area. The Trust is also responsible for the promotion of high standards of planning in the area.

Freeholders - Capco Merger

One major change this year has been the merger between Capco Covent Garden and Shaftesbury Plc (now Shaftesbury Capital). The long-term effects of this merger have yet to be seen, however the Trust is hoping for a more holistic approach to the management of the wider area now within their ownership and will be working with the organisation to ensure that a strategy is developed for that purpose.

Covid Recovery

Although most of central London is still in recovery following the Covid pandemic, there has been a huge resurgence in the number of tourists and visitors to Covent Garden which has had a positive effect on local businesses. Of concern though is the retention of the outside tables & chairs on closed streets and the piazza itself. With the relaxation of rules and guidelines to assist in business recovery, we must continue to guard against "temporary" consents becoming permanent.

Local Planning Decisions & Their Impact

We continue to receive the expert help and advice of our planning and heritage consultant, Miriam Holland, which has enabled us to comment effectively on some important planning applications that have arisen in the course of the year.

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Year ended 31 March 2023

Old Brewers Yard – Diageo

Consumer Product company, Diageo, has been granted an application to convert the Old Brewer's Yard on Shelton Street into a Guinness themed brewery attraction with restaurants, outdoor seating areas, and major re-configuration of many of the outbuildings. Although CGAT sought legal advice regarding this application and voiced a number of concerns regarding different elements of the scheme (including the height of the roof extension and the modernist glazed canopy) with both the developer and the local council, it has now been given permission. We will continue to work as closely as possible with the developer to ensure as suitable and sensitive an outcome in heritage terms, but also for local residents and other businesses.

German Bierkeller

Directly opposite the Old Brewer's Yard complex at 50 Earlham Street, German Bierkeller has been granted permission to turn the premises into a Bavarian Beer house and restaurant. Whilst the Trust has no objections to the overall idea and the relatively minor plans for refurbishment, its placement next to what will be another large drinking establishment, raises major concerns around anti-social behaviour and disturbance to local residents. We are currently working with Camden and Westminster councils and the CGCA to try to ensure that plans are in place to manage these negative outcomes.

Sushi Samba & NaNa

Both of these businesses (located on the NE and the SE corners of the piazza) have been allowed a period of recovery following the Covid pandemic, which includes an enlarged external demise, oversized parasols, and glazed barriers. Neither the size of the demises or the equipment is in keeping with any recommended alfresco dining guides shared with CGAT (including our own) and not only obstructs the view of the market building but, equally importantly, could impede emergency access. Both planning applications will run until March 2024 at which time we hope to have agreed a more suitable way forward with both the landlord and Westminster council.

Save Museum Street

Following months of campaigning against proposals to demolish a number of buildings in the Bloomsbury conservation area, the Save Museum Street campaign successfully launched an alternative scheme that is more sympathetic and harmonious with its surroundings. The original plan was to demolish Selkirk House on Museum Street and replace it with a 74m high tower block with capacity for 1,700 office workers and 44 homes but following the successful Grade II listing of some of the nearby buildings, campaigners are hopeful that the developers will seriously consider not just the heritage of the area, but also the impacts of demolishing buildings on our climate. We wait to see how much of this alternative scheme is eventually incorporated into the developers' plans.

Updating CGAT's Guidance

In order to balance the pressing need for business recovery and growth and its potential impact on the residential community, with the preservation of Covent Garden's character and heritage, the Trust has undertaken to update its guidance 'Caring for Covent Garden – A Conservation & Management approach'. The refreshed guidance will include the Trust's preferred approach to alfresco dining arrangements, sustainability, emergency access, and the long-term strategy for maintaining the special character of the market building and the piazza. We are working with Shaftesbury Capital to make sure that the guidance supports their aims as much as it can and is a useful and practical document. We hope to be able to make the updated guidance available by the end of 2023.

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Year ended 31 March 2023

Our Focus in 2022 - 23

Our objectives for this last year have been very much influenced by changing circumstances. This has meant finding new ways to fulfil our commission under ever more challenging circumstances. Our continuing objectives include:

- Clearly establish and understand our powers and use them effectively
- Look into ways to expand our remit and to promote the Trust's work
- Review and update our Articles of Association in line with the above
- Refresh our Caring for Covent Garden guidance
- Find ways to improve our engagement and collaboration with stakeholders, members, and the wider community
- Complete the office move

Reserves

The current level of reserves held by the Trust at the end of this financial year is £253,135. (figure comprises both Aldermore accounts and the current value of the Trust's Canaccord and Flagstone investments at October 2023).

The Trust has an essential need to maintain reserves which are above average but appropriate. At present, its income (which derives from its ground rents) is approximately £180,000 per annum and an optimum level of capital reserves approximating to three month's working costs (approximately £55,000) is considered appropriate for the following reasons:

(1) The Trust's principal remit involves control over the freeholders of the buildings included in its lease in respect of alterations and changes of use. The Trust has the right to refuse consent where it deems appropriate in order to fulfil its function responsibly. By nature of this very function, the Trust is frequently obliged to make judgements of a subjective nature which may be challenged and, if taken to arbitration by the freeholders, render it liable to a high level of legal costs against which there is no reasonably priced indemnity insurance available on the market. To date, the Trust has only been taken to arbitration once and won its case. Had it lost, its own costs alone would have been of the order of £156,000. This would have seriously affected the Trust's liquidity.

(3) Sufficient reserves must be held to allow for the winding up of the Trust, the discharge of its debts, and its obligations to its employee(s).

The Trust will undertake review its reserves policy annually.

Applications for Consent

We continue to receive expert advice from our Surveyor, Justine Morris, on proposed alterations, changes of use and other land and property management matters requiring the Trust's consent.

Applications were received in respect of the following Protected Lands properties during the year 1st April 2022 to 31st March 2023:

Date	Property	Application type
April 2022	Unit 8 the market building	Change of use
April 2022	Unit 27b the market building	Alterations
April 2022	Unit 27b the market building	Change of use
May 2022	Unit 42 the market building	Alterations

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Year ended 31 March 2023

Date	Property	Application type
May 2022	Unit 16 Market Building	Change of use
June 2022	Unit 10 market building	Change of use
July 2022	Unit 8 market building	Change of use
August 2022	Unit 16 Market Building	Alterations
August 2022	33 James Street (Bedford Chambers)	Alterations
August 2022	28-30 James Street	Alterations
August 2022	28 James Street	Change of use
August 2022	28 James Street	Alterations
September 2022	Unit 19 the market building	Alterations
September 2022	30 James Street	Change of use
September 2022	CG market building lighting, upper parts	Alterations
September 2022	Unit 11 the market building	Change of use
September 2022	Unit 5b the market building	Alterations
November 2022	Unit 8 the market building (pop-up)	Change of use
November 2022	30 James Street	Alterations
November 2022	35 The Piazza	Alterations
February 2023	Unit 6 the market building	Alterations

Trust Matters

Trustee Recruitment

With a focus on longevity and passing skills and experience on to the next generation, in the summer of 2022 CGAT decided to recruit additional trustees who would bring needed skills, abilities and a fresh outlook to the organisation. We were able to introduce five new additions to the trustee body at the 2022 AGM, all of whom were voted in at that same meeting. They are:

- Anoma Radkevitch – Bloomsbury Flowers
- Demi Smoloktou – Head of Sustainability, Dentsu International
- Jeannine Saba – Publisher of the Covent Gardener magazine
- Rebecca Whitman – Head of Events, The Conduit
- Stewart Carroll – CEO & Chair, Jubilee Market

Our new trustees have already made a valuable contribution to CGAT in terms of support, new ideas, and knowledge base and have inspired us with confidence that the Trust's work will be ably continued for many years to come.

Events and other activity

Further to our aim of raising the Trust's profile and improving understanding of our purpose and aims, our Communications subgroup negotiated a support package with the excellent local publication, The Covent Gardener. An appropriate article or feature in each quarterly edition will have a message of support from the CGAT.

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The annual Rent Ceremony was again held this year on the 29th of June. Thanks to some hard work by our administrator, trustees, the assistance of local street performers and of course our able Town Crier, Alan Myatt, this unusual event and nod to the area's history went smoothly and our "peppercorn rents" were collected.

Thanks to much hard work (and patience) by Alana and our Surveyor Justine, our move to new office accommodation (20 Bedford St.) was completed at the end of 2022, with our first Trust Council meeting held there in December last. Work to unpack, instal new furnishings, IT etc. continued into the New Year, but the location and space were agreed to be a marked improvement on previous facilities.

CGAT Chair

Peter Scutt is stepping down from the Chair having taken over on a temporary basis after David Shamash resigned at the end of 2019. Chris Mason and Joanna Chambers have continued to play a valuable supporting role as joint Vice Chairs during the year.

Wider Covent Garden

We continue to be consulted regarding developments within the Covent Garden area. Some projects are ongoing (90 Long Acre, The Wellington Block hotel project, and 1 Museum Street) while others are more recent (8 St Martin's Place and the Guinness development at Old Brewers Yard).

We remain in talks with Westminster city council regarding the production of a Conservation Audit for Covent Garden, and although agreed, the funding and other details around this important piece of work have yet to be finalised.

Trust Finances

The Governance subgroup has been considering the merits of consolidating all of its surplus funds on the Flagstone Charity investment platform (approximately £360K). This would allow the Trust to manage its funds more easily and would also allow for greater flexibility regarding where funds are invested (funds are currently invested in a number of different bank accounts and bonds banks which can be difficult to manage).

We incurred significant moving costs in November of 2022 and our annual expenditure for rent and service charges has increased as a result of the recent office move.

We also sought legal advice regarding the potential impacts of the Diageo development at Old Brewer's Yard at a cost of around £8k.

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

Aldermore Easy Access savings account	£56,762
Aldermore 1 Year Fixed Rate savings account	£104,935
Lloyds Treasurers Business account	£170,379
United Trust Bank charity deposit account	£80,000
Cambridge & Counties fixed rate bond	£75,000
Flagstone investment management account	£65,000

The combined income from bank interest for the year 2022-23 was £2,168 (interest in 2021-22 totalled £1,294).

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Year ended 31 March 2023

The Trust's investment of £25,000 in undated preference shares with Canaccord Genuity Wealth Management was valued at £23,785 as at March 2023.

The Trust's total income increased compared to the previous year to £152,590 (2021-22: £143,892) despite a decrease of 13.7% in administration fees. Overall expenditure has increased significantly from the previous year to £103,949 (2021-22: £87,428) reflecting increased legal & professional, repairs and maintenance costs linked to the relocation of the office premises.

Our thanks to:

We continue to work collaboratively with the newly merged Shaftesbury Capital, 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 work with the Bloomsbury Association ('Save Museum Street') and with the developers of the Wellington Block, Guinness Experience and 90 Long Acre projects.

Thanks to our dedicated trustees for their hard work and support, all of which is voluntary and unpaid. Also, to our members and volunteers for their continued support and interest in the Trust's work.

Thanks to Alana Rhoden (the Trust's Administrator), Justine Morris (Surveyor at Blanchflower Lloyd Baxter) and to Miriam Holland (our Heritage Consultant), for their hard work, advice, and support. Thanks too 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 2023

Reference and administrative details

Registered charity name	COVENT GARDEN AREA TRUST
Charity registration number	299874
Company registration number	02280893
Principal office and registered office	20 Bedford Street Covent Garden London WC2E 9HP

The Trustees

Peter Scutt	(Chair)
Elizabeth Bax	(Elected)
Faye Davies	(Nominated by RIBA)
Joanna Chambers	(Nominated by RTPI)
Chris Mason	(Co-opted in January 2019)
Sharmaine Collins	(Nominated by ROH 7th October 2022)
Mark Shearer	(Nominated by Westminster City Council)
Jessica Toale	(Nominated by Westminster City Council)
Terry St.Clair	(Elected at AGM 27th November 2018)
Paul Velluet	(Elected 4th July 2018)
Josephine Weir	(Nominated by CGCA)
Jim Monahan	(Elected at AGM 27th November 2019)
Anoma Radkevitch	(Elected at AGM 10th January 2023)
Jeannine Saba	(Elected at AGM 10th January 2023)
Stewart Carroll	(Elected at AGM 10th January 2023)
Rebecca Whitman	(Elected at AGM 10th January 2023)
Demi Smoloktou	(Elected at AGM 10th January 2023)

Auditor

Ferguson Maidment & Co.
Chartered accountants & statutory auditor
8th 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

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

Year ended 31 March 2023

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

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 6.

Financial review

A financial review of the charity is provided in the Chairman's statement on pages 1 to 6.

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Year ended 31 March 2023

Reserves and reserves policy

A full review of the reserves and reserves policies are shown in the Chairman's Statement on pages 1 to 6.

Plans for future periods

A full review of the plans for future periods is contained within the Chairman's statement on pages 1 to 6.

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 for 2022-23 was approved on 7th November 2023 and signed on behalf of the board of Trustees by:



Peter Scutt, Chair

This statement was written on behalf of Peter Scutt, Chair 2023

COVENT GARDEN AREA TRUST

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Trustees' Responsibilities Statement

Year ended 31 March 2023

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

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

Year ended 31 March 2023

Opinion

We have audited the financial statements of COVENT GARDEN AREA TRUST (the 'charity') for the year ended 31 March 2023 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 2023 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

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

Year ended 31 March 2023

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.

COVENT GARDEN AREA TRUST

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

Year ended 31 March 2023

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

We obtained an understanding of the legal and regulatory frameworks within which the Covent Garden Area Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards.

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 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 responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Year ended 31 March 2023

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)

8th Floor
167 Fleet Street
London
EC4A 2EA

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

7th November 2023

COVENT GARDEN AREA TRUST

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
Income and endowments				
Charitable activities	5	149,897	149,897	141,908
Investment income	6	902	902	902
Other income	7	1,791	1,791	1,082
Total income		<u>152,590</u>	<u>152,590</u>	<u>143,892</u>
Expenditure				
Expenditure on charitable activities	8,9	<u>103,949</u>	<u>103,949</u>	<u>87,428</u>
Total expenditure		<u>103,949</u>	<u>103,949</u>	<u>87,428</u>
Net income and net movement in funds		<u>48,641</u>	<u>48,641</u>	<u>56,464</u>
Reconciliation of funds				
Total funds brought forward		466,049	466,049	409,585
Total funds carried forward		<u>514,690</u>	<u>514,690</u>	<u>466,049</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 17 to 25 form part of these financial statements.

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Statement of Financial Position

31 March 2023

	Note	2023 £	£	2022 £
Fixed assets				
Tangible fixed assets	15		12,108	7,762
Current assets				
Debtors	16	30,676		14,874
Investments	17	23,785		25,657
Cash at bank and in hand		482,636		450,050
		<u>537,097</u>		<u>490,581</u>
Creditors: amounts falling due within one year	18	<u>34,515</u>		<u>32,294</u>
Net current assets			502,582	458,287
Total assets less current liabilities			514,690	466,049
Net assets			514,690	466,049
Funds of the charity				
Unrestricted funds			514,690	466,049
Total charity funds	21		514,690	466,049

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 7th November 2023, and are signed on behalf of the board by:



Peter Scutt
Trustee

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 2023

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 20 Bedford Street, Covent Garden, London, WC2E 9HP, 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 2023

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 2023

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 2023

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 2023

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Rent receivable	115,925	115,925	102,426	102,426
Legal and survey fees - applications by tenants	—	—	97	97
Administration fees - applications by tenants	33,972	33,972	39,385	39,385
	<u>149,897</u>	<u>149,897</u>	<u>141,908</u>	<u>141,908</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from listed investments	902	902	902	902

7. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Sundry donations	—	—	60	60
Bank and building society interest	1,791	1,791	1,022	1,022
	<u>1,791</u>	<u>1,791</u>	<u>1,082</u>	<u>1,082</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Direct costs	20,100	20,100	17,665	17,665
Support costs	83,849	83,849	69,763	69,763
	<u>103,949</u>	<u>103,949</u>	<u>87,428</u>	<u>87,428</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Direct costs	20,100	58,466	78,566	69,640
Governance costs	—	25,383	25,383	17,788
	<u>20,100</u>	<u>83,849</u>	<u>103,949</u>	<u>87,428</u>

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Analysis of support costs

	Analysis of support costs £	Total 2023 £	Total 2022 £
Staff costs	26,744	26,744	24,485
Premises	13,022	13,022	20,000
Communications and IT	1,790	1,790	2,903
General office	16,910	16,910	4,587
Governance costs	25,383	25,383	17,787
	<u>83,849</u>	<u>83,849</u>	<u>69,762</u>

11. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>1,515</u>	<u>67</u>

12. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>2,880</u>	<u>2,650</u>

13. Staff costs

The average head count of employees during the year was 1 (2022: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2022: 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 (2022 - Nil). No members of the Board of Trustees received reimbursement of expenses (2022 - Nil).

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Tangible fixed assets

	Fixtures and fittings £	Library collection £	Total £
Cost			
At 1 April 2022	26,650	7,562	34,212
Additions	5,861	—	5,861
At 31 March 2023	32,511	7,562	40,073
Depreciation			
At 1 April 2022	26,450	—	26,450
Charge for the year	1,515	—	1,515
At 31 March 2023	27,965	—	27,965
Carrying amount			
At 31 March 2023	4,546	7,562	12,108
At 31 March 2022	200	7,562	7,762

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

	2023 £	2022 £
Trade debtors	11,092	3,903
Prepayments and accrued income	9,712	5,247
Other debtors	9,872	5,724
	30,676	14,874

17. Investments

	2023 £	2022 £
Current asset investment	23,785	25,657

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	2,850	2,650
Social security and other taxes	1,183	1,093
Deferred income	29,757	26,649
Other creditors	725	1,902
	34,515	32,294

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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 £976 (2022: £879).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	466,049	152,590	(103,949)	514,690

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

22. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2023
	£	£
Tangible fixed assets	12,108	12,108
Current assets	537,098	537,098
Creditors less than 1 year	(34,516)	(34,516)
Net assets	514,690	514,690

	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)
Net assets	466,049	466,049

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

23. Operating lease commitments

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

	2023	2022
	£	£
Not later than 1 year	18,744	—
Later than 1 year and not later than 5 years	90,969	—
	<u>109,713</u>	<u>—</u>

24. Related parties

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