

COMPANY REGISTRATION NUMBER: 02280893
CHARITY REGISTRATION NUMBER: 299874

COVENT GARDEN AREA TRUST
Company Limited by Guarantee
Financial Statements
31 March 2024

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 2024

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

Year ended 31 March 2024

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 2024.

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 head lessee for the 'protected lands' which are comprised of historic buildings and the public realm between them within the central part of the Covent Garden Conservation Area and include:

- Covent Garden's market building, built in 1830-31 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 houses the London Transport Museum and Russell Chambers;
- 25-31 James Street, and
- 7, 9 and 10 Floral Street
- Jubilee Hall.

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) empowers the Trust to fulfil its objective to conserve and protect the aforementioned buildings as well as the character of the area. The Trust also takes an interest in the areas immediately adjacent to central Covent Garden and in the application and promotion of high planning standards locally, with particular focus on the approaches to the Protected Lands.

All of the buildings within the 'protected lands' now in the freehold ownership of the recently merged Shaftesbury estate with those of the former Capital and Counties, now known together as Shaftesbury Capital. The recent transfer of the James Street and Floral Street properties from Lothbury to Shaftesbury Capital means the Trust now only deals with one freeholder and also that they are the only tenant in the four separate lots or parcels.

Relationship with Shaftesbury Capital & Post Covid Re-set

The Trust's relationship with Shaftesbury Capital over the last year has not been easy as they make efforts to recover financial losses incurred during the pandemic and maximise outside areas used for catering. The Trust continues to contain changes that, in the long term, are deemed to be damaging to the setting of the Central Market building (in particular) or to the character and special nature of the Covent Garden Piazza as an open space. This has at times, caused some tension between the two organisations and has moved the Trust to seek legal advice regarding the powers granted to it by the head leases and covenants on the Jubilee Hall and market.

CGAT's view is that the treatment of the setts around the market building and the coverage of the piazza with ancillary equipment should now revert to what was agreed and implemented for 10 or more years before the pandemic, i.e., small tables and chairs that do not detract from the setting of the central market building with umbrellas that can be collapsed and equipment that can be put away at night, thereby keeping the piazza as clear of clutter as possible and complying with all covenants in the lease. The Trust feels that the spread of tables and chairs and additional screens and planters was temporarily tolerable to allow spaced out dining in 2020/21 but is, in the long term, excessive as it damages the

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character of the place. As covid provisions lapse, the Trust is of the view that those temporary gains should be reversed to the arrangement agreed in 2009 which respected all terms of the lease.

Local Planning Matters

While there have been no new significant local planning projects in the last year, we continue to be consulted on various ongoing projects and issues that affect the infrastructure or impact on residents, businesses and tourists.

Alfresco Dining and installations on the Piazza

The extended outside eating areas arguably impede access onto and around the piazza and spoil the setting of the grade II* listed building. We have therefore been working with Shaftesbury Capital to reduce the amount of clutter on the piazza, to increase the amount of open, public space and to make sure that the area is safe for all to enter and to leave, including in the event of an emergency, should that be necessary. We also encourage high quality equipment for temporary events or marketing promotions which is in keeping with the Trust's responsibilities for protecting and enhancing a unique heritage asset.

Conservation Area Audit for Covent Garden

The local area audit for Covent Garden is now in progress and is being led by Stephen Levrant Heritage Architecture, in collaboration with Westminster City Council. CGAT met with the consultants to discuss what should ideally be included in the audit and was also able to comment further via the consultation website. The Trust also had the opportunity to assist with the development of the Public Realm Framework adopted by the City Council in February 2022 with a learned analysis of the area and an ongoing set of recommendations for the appropriate management of this most unusual urban composition that is in the Trust's care

Old Brewers Yard – Diageo

Work to create the 'Guinness experience' in the heart of Covent Garden is well underway. Trustees are keeping a close eye on developments with the intention of managing any undesirable elements early on. The summer period saw the start of the internal fit out, including the installation of new brewery equipment. Although the target date for completion of this project is October 2024, we expect that to change and were recently informed that the construction company hired to complete the build, Beck Interiors, has gone into administration.

The Other House (Wellington Block)

We receive regular updates on the progress of the Wellington Block project via a project newsletter and have received positive feedback on the noise levels and on the amount of consultation with local residents and businesses. The Trust is also regularly invited to community liaison meetings with the developer. The estimated end date for the project is August 2025.

Save Museum Street

As the project has now been given the go-ahead by Camden council and various other governing bodies, the Museum Street Community Liaison Group (MSCLG) has been formed to manage the impact of the work and to safeguard the community's interests through collaboration and cooperation with the developer, Simten. A contractor for the work has not yet been appointed.

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Historic Gas lamps

CGAT recently supported the listing of a number of heritage gas lamps in the area. As supporters of the Covent Garden Lighting Partnership, we feel that care should be taken to retain historic features in the area, including the original gas lamps which date back to the 1880s and include historic details such as columns and brackets which are not easy to replicate and help to promote and maintain Covent Garden's special character. The maintenance of original items, adapted if necessary, is a preferred conservation measure to some proposals to create quasi replica units with an approximate appearance to the historic equipment.

Our Focus

This year, the Trust's focus has been the promotion of Covent Garden as a high-quality tourist, shopping and dining destination, clearing the piazza of excessive clutter and pressing the tenants to ensure that any installations, pop-ups, or exhibitions are high quality and in keeping with the area's reputation as a major London icon. We will continue to pressure the tenant to eradicate sub tenants that sell goods that are not high quality or do not have the mark of artisan craftspeople.

CGAT Legal Position

We are in the process of verifying our legal powers and the detailed interpretation of the terms of the CGAT headleases to ensure that we remain within our powers and capacity to reasonably object to any undesirable changes, uses or additions to the market building or to the piazza and (as we believe) its listed setts and barrow ramps.

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 2023 to 31st March 2024:

Date	Property	Application type
April 2023	Unit 10 the market building	Change of use
May 2023	Unit 22 the market building	Change of use
June 2023	Unit 10 the market building	Alterations
June 2023	Unit 8 the market building	Change of use
July 2023	Unit 11 the market building	Alterations
July 2023	Units 1 & 38 the market building	Change of use
August 2023	Bedford Chambers	Alterations
September 2023	Unit 8 the market building	Alterations
September 2023	Unit 22 the market building	Change of use
October 2023	London Transport Museum	Alterations
October 2023	Market building festoon lighting	Alterations
December 2023	Unit 4 the market building	Change of use
January 2024	Units 1 & 38 the market building	Alterations
January 2024	Unit 5a the market building	Change of use
January 2024	Unit 40 the market building	Alterations
February 2024	Units 25, 26, 48 & 49 the market building	Alterations
February 2024	Unit 4 the market building	Alterations
March 2024	Unit 4 the market building	Alterations

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Trust Matters

Updating CGAT's Guidance

We continue the work to update our 2004 guidance 'Caring for Covent Garden – A Conservation & Management approach' which includes 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. Producing guidance that is useful and that meets the needs of both tenant and landlord has been more complicated and time-consuming than we initially anticipated. We recently consulted with local stakeholders on a draft approach to alfresco dining and will soon hold workshops and consult with them on the look and feel of Covent Garden and what could evolve to change things that have not worked as well as expected. The Trust was set up with two areas of responsibility, the first to conserve the historic asset yet also be sympathetic to business needs and the promotion of the place as a high-quality shopping area. Resolving the potential conflict between these responsibilities is best done through discussion and collaboration, where appropriate.

Trustee Retention & Recruitment

In the last year CGAT has experienced a few trustee losses for a number of reasons. At present, we still have our core trustees but would like to encourage more with an interest in the area and in conservation to join us. With that in mind we plan to make some changes to our articles in order to be able to invite staff members from the London Transport Museum to join CGAT as nominated trustees. We also plan to change our Articles so that elected trustees with valued knowledge and experience are not forced to retire after a limited term.

Subgroup Changes

The Planning subgroup is now the Protected Lands Working Group; the adjustment in name and remit allows the group's members to better cover CGAT's full area of responsibility. The terms of reference were amended to reflect the changes and the changes were agreed at a regular Trust meeting.

CGAT Chair

Chris Mason took up the post of Chair at the last AGM (5th December 2023) having previously served as Vice Chair and Joanna Chambers and Peter Scutt have both ably supported and assisted Chris as joint Vice Chairs.

Rent Ceremony

This year's Rent Ceremony was both successful and very enjoyable, thanks in large part to the support of a number of new faces, as well as our loyal long-time members and supporters. We also had a fantastic brass band (shout out to Brass Squad!) who were perfect for the occasion. Thanks to Nick and Omid, our local street performers, and a massive thank you to Alan, our inimitable Town Crier. Thanks also to Shaftesbury Capital for their continued support of this annual event. We couldn't deliver our "peppercorn rents" without you.

Changes to the CGAT Logo

After much deliberation and discussion over concepts, our mission, and what we stand for, the Trust settled on a simple line drawing of the market building as the new logo and has rolled out several applications which can be used in different ways.

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Year ended 31 March 2024

Trust Finances

The Trust collected ground rents for 2023-24 totalling around £129k and income from applications of around £34k. Surplus funds continue to be wisely invested and protected via the Flagstone CAF Charity investment platform which protects individual investments of £85k or less under the FSCS. The platform works well for the Trust and allows us to maximise our earnings and to make sure that they are safeguarded and available should we ever need to seek legal counsel, arbitration or initiate court proceedings over proposals that are harmful to the protected lands or damaging to the reputation and character of Covent Garden.

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

Aldermore Easy Access savings account	£57,527
Aldermore 6 Month Fixed Rate savings account	£27,803
Lloyds Treasurers Business account	£90,627
United Trust Bank charity deposit account	£80,000
Cambridge & Counties fixed rate bond	£75,000
Flagstone investment management account	£341,701

The combined income from bank interest for the year 2023-24 was £13,190 (interest in 2022-23 totalled £1,791).

The Trust's investment of £25,000 in undated preference shares with Canaccord Genuity Wealth Management was terminated on 30 June with a value of £25,268.

Trust finances and reserves

The Trust's total income increased compared to the previous year to £177,940 (2022-23: £152,592) reflecting an 11% increase in ground rent income. Overall expenditure has increased significantly from the previous year to £129,172 (2022-23: £103,949) reflecting increased rental and service charge costs from the new office premises.

Reserves

The current level of reserves held by the Trust at the end of this financial year is £583,516 (this figure is made up of sums that are currently invested or held in savings accounts or bonds as at October 2024).

The Trust has an essential need to maintain reserves which are above average but appropriate. At present, its income (which derives principally from its ground rents) is approximately £200,000 per annum and an optimum level of capital reserves approximating to three month's working costs (approximately £40,000) 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.

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

Year ended 31 March 2024

Reserves *(continued)*

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.

(2) 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 an annual review of its reserves policy.

Our thanks to:

We continue to work collaboratively with the recently formed Shaftesbury Capital, Westminster and Camden councils and ward councillors, the Seven Dials Trust, and the Covent Garden Community Association. As mentioned earlier, we have also had the opportunity to support the Bloomsbury Association ('Save Museum Street') and interact positively with the developers of the Wellington Block, the 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 for their expertise and advice.

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

Year ended 31 March 2024

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
United Kingdom

The trustees	Chris Mason	Chair (Co-opted in January 2019)
	Peter Scutt	(Vice Chair)
	Elizabeth Bax	(Elected)
	Faye Davies	(Nominated by RIBA)
	Joanna Chambers	(Vice Chair Nominated by RTPi)
	Sue Carvell	(Nominated by ROH 7th October 2022)
	Mark Shearer	(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)

Trust administrator Alana Rhoden

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

Bankers Aldemore Bank
1st Floor
Block B Western House
Lynch Wood
Peterborough
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 2024

Structure, governance and management

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

a) Constitution

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

b) Appointment of Trustees

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

c) Policies adopted for the induction and training Trustees

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

d) Organisational structure and decision making

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

e) Risk Management

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

Objectives and activities

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

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

Achievements and performance

A full report of the charity's achievements and performance during the year is provided in the Chairman's statement on pages 1 to 5.

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

Year ended 31 March 2024

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 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 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 for 2023-24 was approved on 5th November 2024 and signed on behalf of the board of trustees by:



Christopher Mason
Chair

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Trustees' Responsibilities Statement

Year ended 31 March 2024

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.

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

Year ended 31 March 2024

Opinion

We have audited the financial statements of COVENT GARDEN AREA TRUST (the 'charity') for the year ended 31 March 2024 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 2024 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.

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

Year ended 31 March 2024

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

Year ended 31 March 2024

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.

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. 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.

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

Year ended 31 March 2024

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.

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)

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

167 Fleet Street
London
EC4A 2EA

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

		2024		2023
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
Income and endowments				
Charitable activities	5	162,597	162,597	149,897
Investment income	6	2,153	2,153	902
Other income	7	13,190	13,190	1,791
Total income		<u>177,940</u>	<u>177,940</u>	<u>152,590</u>
Expenditure				
Expenditure on charitable activities	8,9	129,172	129,172	103,949
Total expenditure		<u>129,172</u>	<u>129,172</u>	<u>103,949</u>
Net income and net movement in funds		<u>48,768</u>	<u>48,768</u>	<u>48,641</u>
Reconciliation of funds				
Total funds brought forward		514,690	514,690	466,049
Total funds carried forward		<u>563,458</u>	<u>563,458</u>	<u>514,690</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 2024

	Note	2024 £	£	2023 £
Fixed assets				
Tangible fixed assets	15		10,971	12,108
Current assets				
Debtors	16	41,226		30,676
Investments	17	25,268		23,785
Cash at bank and in hand		525,389		482,636
		<u>591,883</u>		<u>537,097</u>
Creditors: amounts falling due within one year	18	<u>39,396</u>		<u>34,515</u>
Net current assets			<u>552,487</u>	<u>502,582</u>
Total assets less current liabilities			<u>563,458</u>	<u>514,690</u>
Net assets			<u>563,458</u>	<u>514,690</u>
Funds of the charity				
Unrestricted funds			<u>563,458</u>	<u>514,690</u>
Total charity funds	21		<u>563,458</u>	<u>514,690</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 5th November 2024 and are signed on behalf of the board by:



Christopher Mason
Chair

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 2024

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 2024

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 2024

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 2024

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 2024

5. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Rent receivable	129,149	129,149	115,925	115,925
Administration fees - applications by tenants	33,448	33,448	33,972	33,972
	<u>162,597</u>	<u>162,597</u>	<u>149,897</u>	<u>149,897</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Income from listed investments	2,153	2,153	902	902

7. Other income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank and building society interest	13,190	13,190	1,791	1,791

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Direct costs	19,130	19,130	20,100	20,100
Support costs	110,042	110,042	83,849	83,849
	<u>129,172</u>	<u>129,172</u>	<u>103,949</u>	<u>103,949</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Direct costs	19,130	87,478	106,608	78,566
Governance costs	—	22,564	22,564	25,383
	<u>19,130</u>	<u>110,042</u>	<u>129,172</u>	<u>103,949</u>

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

10. Analysis of support costs

	Analysis of support costs £	Total 2024 £	Total 2023 £
Staff costs	28,538	28,538	26,744
Premises	39,372	39,372	13,022
Communications and IT	1,769	1,769	1,790
General office	17,797	17,797	16,910
Governance costs	22,566	22,566	25,383
	<u>110,042</u>	<u>110,042</u>	<u>83,849</u>

11. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	<u>1,137</u>	<u>1,515</u>

12. Auditors remuneration

	2024 £	2023 £
Fees payable for the audit of the financial statements	<u>3,650</u>	<u>2,880</u>

13. Staff costs

The average head count of employees during the year was 1 (2023: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of staff	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2023: 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 (2023 - Nil). No members of the Board of Trustees received reimbursement of expenses (2023 - Nil).

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

15. Tangible fixed assets

	Fixtures and fittings £	Library collection £	Total £
Cost			
At 1 April 2023 and 31 March 2024	<u>32,511</u>	<u>7,562</u>	<u>40,073</u>
Depreciation			
At 1 April 2023	27,965	–	27,965
Charge for the year	1,137	–	1,137
At 31 March 2024	<u>29,102</u>	<u>–</u>	<u>29,102</u>
Carrying amount			
At 31 March 2024	<u>3,409</u>	<u>7,562</u>	<u>10,971</u>
At 31 March 2023	<u>4,546</u>	<u>7,562</u>	<u>12,108</u>

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

16. Debtors

	2024 £	2023 £
Trade debtors	18,162	11,092
Prepayments and accrued income	13,831	9,712
Other debtors	9,233	9,872
	<u>41,226</u>	<u>30,676</u>

17. Investments

	2024 £	2023 £
Current asset investment	<u>25,268</u>	<u>23,785</u>

18. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	3,650	2,850
Social security and other taxes	1,115	1,183
Deferred income	33,128	29,757
Other creditors	1,503	725
	<u>39,396</u>	<u>34,515</u>

19. Deferred income

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

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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 £1,082 (2023: £976).

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
General funds	514,690	177,940	(129,172)	563,458

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

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	10,972	10,972
Current assets	591,884	591,884
Creditors less than 1 year	(39,398)	(39,398)
Net assets	563,458	563,458

	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

COVENT GARDEN AREA TRUST

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

23. Operating lease commitments

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

	2024	2023
	£	£
Not later than 1 year	26,500	18,744
Later than 1 year and not later than 5 years	66,250	90,969
	<u>92,750</u>	<u>109,713</u>

24. Related parties

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