

# **The Charter 600 Charity**

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## **Trustee's Annual Report & Financial Statements 2020**

Charity Commission Number 1051146

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## CONTENTS

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Trustee's Report	4
Governance & Management	4
Objects & Strategy	6
Activities in 2020	6
2021 and beyond	7
Financial Review	8
Our policies	9
Risk management & internal control	10
Statement of Trustee's responsibilities	11
Independent Auditors' Report	12
Statement of Financial Activities for the year ended 31 March 2020	15
Balance Sheet as at 31 March 2020	16
Statement of Cash Flows for the year ended 31 March 2020	17
Notes to the financial statements	18
1 ACCOUNTING POLICIES	18
2 INCOME	21
3 EXPENDITURE	21
4 QUOTED INVESTMENTS	23
5 DEBTORS	24
6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	24

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7 GRANT COMMITMENTS	24
8 RELATED PARTIES AND CONNECTED CHARITIES	25
9 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	26
10 GRANTS	26
LEGAL & ADMINISTRATIVE INFORMATION	27

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# Trustee's Report

The Trustee of The Charter 600 Charity presents its Report and audited financial statements for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting principles set out in note 1 to the financial statements and comply with the Charity's Scheme of Management, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Governance & Management

### ORGANISATION & SENIOR MANAGEMENT TEAM

The Trustee is The Wardens and Commonalty of the Mystery of Mercers of the City of London (known as the Mercers' Company) which is a body corporate formed by Royal Charter in 1394 and is the controlling party. The Mercers' Company is a livery company and, as such, its governing body (the Court of Assistants) acts for the Company as Trustee. From 13 July 2018 to 12 July 2019, the Master was XV Dennen. The Master from 13 July 2019 is MCL Aspinall. The Clerk to the Mercers' Company is RM Abernethy.

The Trustee acts as trustee for a number of charities and has established a number of specialist committees to provide it with advice and professional guidance. The Philanthropy Committee advises the Trustee on the exercise of its duties. Other specialist advisory committees include a Finance Committee, Audit Committee, and Investment Sub-Committee.

The Charity delegates the making of certain grants to the Trustee's committees: the Member's Philanthropy Committee and to the Philanthropy Committee.

The Charity is supported by the staff of the Mercers' Company, who are appropriately trained and qualified, to whom the Charity's day to day administration is contracted. These services are provided under a service agreement. The following members of the Mercers' Company's senior management are involved in the provision of services:

Mr Robert Abernethy (Clerk to the Mercers' Company)

Mr James Christie (Finance Director)

Ms Serena Hedley-Dent (Deputy Clerk to The Mercers' Company)

## CHARITY GOVERNANCE REVIEW

During 2018 the Trustee initiated a review of the governance of the Charity, to assess the Charity's governance against the Charity Governance Code and identify any changes required to ensure the Charity's governance is in line with current best practice. The review has been completed and the Trustee has established a new Committee for the Charity to ensure the Trustee effectively fulfils its governance role and meets the standards expected by the Charity Commission. The Committee's Terms of Reference were approved on 6 March 2020 and following relevant training it took up office in September 2020. The members of the Charity's Governance Committee are:

Ms AES Hohler (Chairman)

Mr FBR Wathen

Mr BJ Parkinson

## PUBLIC BENEFIT

The Trustee confirms that it has complied with its duty under Section 17 Charities Act 2011 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and in setting the grant making policy for the year.

## OUR VOLUNTEERS

The Charity relies on members of The Mercers' Company volunteering their time to sit on committees, review grant requests, visit applicants and grantees, and attend events involving beneficiaries. In keeping with recommended practice, an estimate of the numbers of hours that Committees give to the Charity free of charge during the year has been undertaken resulting in approximately 213 hours of voluntary time (2019: 213 hours).

## RELATED PARTIES

The Charity works closely with the Trustee and the other charities with which the Trustee is involved.

Details of related parties and connected charities are given in note 11 of the financial statements.

## Objects & Strategy

### OBJECTS

The Charity's principal object is to apply the income of the Trust Fund to such charities or for such charitable purposes in such shares and proportions and generally in such manner in all respects as the Trustee shall in its discretion decide.

### STRATEGY

The strategy of the Charity is as follows:

- ▲ TO FOCUS ITS GRANT MAKING ON AWARDING LARGER GRANTS TO GRASS ROOTS COMMUNITY ORGANISATIONS. THE MANAGEMENT OF THESE GRANTS HAS BEEN DELEGATED TO THE MEMBERS' PHILANTHROPY COMMITTEE
- ▲ FOR LEGACIES, STANDING ORDER DONATIONS AND DONATIONS MADE REGULARLY BY OTHER METHODS TO THE CHARITY TO BE ENTIRELY INVESTED INTO THE INVESTMENT PORTFOLIO, UNLESS REQUESTED OTHERWISE BY THE DONOR. THE INVESTMENT MANDATE IS FOR A MEDIUM RISK, INCOME GENERATING PORTFOLIO WITH A SET INCOME RETURN OF £40,000 PER ANNUM
- ▲ GOVERNANCE COMMITTEE DECIDES ON THE USE OF ALL OTHER DONATIONS THAT ARE GIVEN IN GENERAL SUPPORT OF THE CHARITY

## Activities in 2020

### GRANT MAKING

The Charity made a total of 5 grants this year. The total amount disbursed in grants was £95,000. Grant making to grass roots beneficiaries was largely to projects benefitting youth & community organisations.

The Charity continued to support grass roots activities, including:

**The Listening Place** which aims to reduce the number of people taking their own life by filling a critical gap in support by offering free, on-going, face-to-face, confidential suicide support in London. Since it was established in 2016, the Listening Place has seen a dramatic increase in the number of referrals. With the likelihood that the Listening Place will support 2,000 suicidal individuals in 2019/20, it was necessary for the organisation to appoint an additional Visitor Support Coordinator in order to maintain key aspects of its work. A £25,000 grant was given to fund this post.

**Compassionate Friends** which is the only national charity to provide peer support for bereaved parents and families who have suffered the death of a child of any age from any cause. A £25,000 Award was given to enable the continuation of support to these 89 groups, recruit and train new group facilitators and to set up new groups.

### FUNDRAISING EVENTS

In September 2019, the Charity hosted a Quiz Night at Mercers' Hall. The event raised £3,400 after costs for the Charity.

## CASE STUDY



**The Daniel Spargo-Mabbs Foundation** is a drug and alcohol education charity that works with young people, parents, teachers and professionals in schools, colleges and community groups.

There are no other organisations offering the multi-component, evidence-based programme of resources like that of the Foundation.

The work of the Foundation has grown rapidly from when it started five years ago, and demand has continually put pressure on capacity and funding. This need and demand will increase from September 2020 when it will become statutory for all state-funded secondary schools to deliver drug and alcohol education to students.

A £25,000 Award was given to fund a new role of Operations Manager to enable the growth of the Foundation.

## 2021 and beyond

The charity plans to award three large grants of £25,000 each for 2020/21.

The Trustee has considered the impact of the current Coronavirus pandemic on the Charity's operations, with a particular focus on the effect on its beneficiaries and suppliers; and the Charity's income and expenditure. The Trustee does not consider this to be a material uncertainty in respect of the Charity's ability to continue as a going concern. The Charity has reforecast its grant making budget and adapted to its beneficiaries' needs.

The Trustee considers that the Charity has sufficient financial resources for the foreseeable future, despite the current crisis. Therefore, the financial statements have been prepared on a going concern basis.

## Financial Review

### FUNDING SOURCES

The Charity generates income primarily from its own sources through:

	2020 £	2019 £
Donations, legacies & trading income	61,325	157,903
Stock market investments	44,185	35,987
Interest	223	138

Donations, legacies & trading income are generated from events held by the Charity, regular giving from individuals via standing order, sponsored events and one off donations by individuals.

### LISTED INVESTMENTS

Total losses of £181,693 on stock market investments during the year (2019: gains of £94,849) as a result of the impact of the COVID-19 pandemic on global stock markets.

Investment Fund	Fund Return	Primary Comparator (CPI+4.0%)	Secondary Comparator (Composite)
General Investment Fund	-8.1%	5.8%	-9.1%

Since the year end, realised and unrealised gains of £306,054 have been made in the period to 30 September 2020. The Trustee will continue to monitor the performance of this fund.

During the year £100,000 was transferred into the fund (2019: £26,746).

### RESULTS FOR THE YEAR

Total income for the year was £105,733 (2019: £194,028); total expenditure for the year was £116,396 (2019: £102,534) and net losses on investments were £181,693 (2019: gains of £94,849) resulting in net expenditure for the year of £192,356 (2019: net income £186,343).

### FINANCIAL POSITION

Net assets at the end of the year were £1,665,436 (2019: £1,857,792). These were represented by unrestricted funds.



## Our policies

### RESERVES POLICY

The free reserves of the Charity comprise the unrestricted funds and amounted to £1,665,436 in 2020 (2019: £1,857,792).

Of these reserves £1,510,319 is currently held as investment funds to generate income and growth. Reserves are carried forward with the intention of:

#### ▲ GRANT MAKING AT £75,000 FOR 2020/21

The Trustee reviews the policy annually.

### GRANT MAKING POLICY

The policy is to apply the resources of the Charity in accordance with its principal objects (above). The Members' Philanthropy Committee meets four times a year to discuss applications and approve grants.

### INVESTMENT POLICY

In accordance with the Trust Deed, the Trustee has the power to invest in such stocks, shares, and property as appropriate to meet the objectives of the Charity.

The policy is for a balanced risk approach with investments split between funds for income growth and capital growth. The investment performance of stock market investments is compared against relevant benchmarks. The Charity has a policy of responsible investment, positively screening to invest in companies that can demonstrate socially responsible values and sustainable growth, and negatively screening companies or sectors that are not in line with the charitable objects.

As such, the following areas are excluded from our investments:

#### ▲ HIGH INTEREST LENDING

#### ▲ TOBACCO

#### ▲ GAMBLING

#### ▲ PORNOGRAPHY

The Trustee is satisfied that its policy and objective is being met, notwithstanding the fall in investment values in the year as a result of the impact of the COVID-19 pandemic

## Risk management & internal control

The Trustee acknowledges its responsibility for the management of risks faced by the Charity. A review is undertaken regularly by the Trustee to identify, assess and mitigate those risks.

The Trustee, in considering the governance, management, operational, financial and environmental risks, is satisfied, that there is no material exposure and that there are procedures in place to mitigate such risks.

The Trustee has agreed clear lines of delegation and authority and the Trustee and its staff are involved in the recognition of risk in all their activities.

The main risks faced by the Charity are:

Risk	Mitigation
Governance Risk - The Mercers' Company in its capacity as Trustee fails to follow charity law/governance guidance	The Governance Committee introduced to ensure oversight. Trained executive & committees advise the Trustee. All business units monitored & reviewed by appropriate committee of the Trustee
Strategic Risk - Inability to deliver the agreed strategy for philanthropy	Defined strategic goals monitored, measured & reviewed by Trustee regularly
Financial Risk – Loss of asset value & investment income	Regular review of valuations by executive & committees; reforecasting of budgets.

## Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that year.

In preparing these financial statements, the Trustee is required to:

- ▲ SELECT SUITABLE ACCOUNTING POLICIES AND THEN APPLY THEM CONSISTENTLY;
- ▲ OBSERVE THE METHODS AND PRINCIPLES IN ACCOUNTING AND REPORTING BY CHARITIES STATEMENT OF RECOMMENDED PRACTICE APPLICABLE TO CHARITIES PREPARING THEIR ACCOUNTS IN ACCORDANCE WITH THE FINANCIAL REPORTING STANDARD APPLICABLE IN THE UK AND REPUBLIC OF IRELAND (FRS 102);
- ▲ MAKE JUDGMENTS AND ESTIMATES THAT ARE REASONABLE AND PRUDENT;



MCL Aspinall

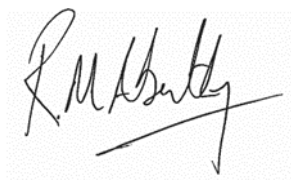
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16 October 2020

- ▲ STATE WHETHER APPLICABLE ACCOUNTING STANDARDS, COMPRISING FRS 102, HAVE BEEN FOLLOWED, SUBJECT TO ANY MATERIAL DEPARTURES DISCLOSED AND EXPLAINED IN THE FINANCIAL STATEMENTS; AND
- ▲ PREPARE THE FINANCIAL STATEMENTS ON THE GOING CONCERN BASIS UNLESS IT IS INAPPROPRIATE TO PRESUME THAT THE CHARITY WILL CONTINUE IN OPERATION.

The Trustee is responsible for keeping proper accounting records that 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 Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations. The Trustee is 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.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



RM Abernethy

Clerk to The Mercers' Company

# Independent Auditors' Report

TO THE TRUSTEE OF THE CHARTER 600 CHARITY

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of The Charter 600 Charity ("the Charity") for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements which include a summary of the significant accounting policies.

In our opinion, the financial statements:

- ▲ GIVE A TRUE AND FAIR VIEW OF THE STATE OF THE CHARITY'S AFFAIRS AS AT 31 MARCH 2020 AND OF ITS INCOME AND EXPENDITURE FOR THE YEAR THEN ENDED;
- ▲ HAVE BEEN PROPERLY PREPARED IN ACCORDANCE WITH UNITED KINGDOM GENERALLY ACCEPTED ACCOUNTING PRACTICE; AND
- ▲ HAVE BEEN PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THE CHARITIES ACT 2011.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are

further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

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

- ▲ THE TRUSTEE'S USE OF THE GOING CONCERN BASIS OF ACCOUNTING IN THE PREPARATION OF THE FINANCIAL STATEMENTS IS NOT APPROPRIATE; OR
- ▲ the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## OTHER INFORMATION

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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 perform determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in which the Charities Act 2011 requires us to report to you if, in our opinion:

- ▲ THE INFORMATION GIVEN IN THE TRUSTEE'S ANNUAL REPORT IS INCONSISTENT IN ANY MATERIAL RESPECT WITH THE FINANCIAL STATEMENTS; OR
- ▲ SUFFICIENT ACCOUNTING RECORDS HAVE NOT BEEN KEPT BY THE CHARITY; OR
- ▲ THE FINANCIAL STATEMENTS ARE NOT IN AGREEMENT WITH THE ACCOUNTING RECORDS AND RETURNS; OR
- ▲ WE HAVE NOT RECEIVED ALL THE INFORMATION AND EXPLANATIONS WE REQUIRE FOR OUR AUDIT.

## 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

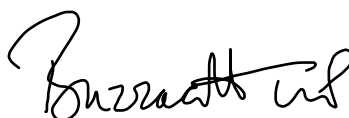
#### RESPONSIBILITIES OF THE TRUSTEE

As explained more fully in the Statement of Trustee's responsibilities set out on page 10, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

#### USE OF OUR REPORT

This report is made solely to the Charity's Trustee as a body in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it 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 Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Chartered Accountants and Statutory  
Auditors  
London  
EC2V 6DL

28 October 2020

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Statement of Financial Activities for the year ended 31 March 2020


		Year Ended 31 March 2020	Year Ended 31 March 2019
		Unrestricted Funds	Unrestricted Funds
	Notes	£	£
<b>Income</b>			
Donations and legacies		51,488	132,415
Events Income		9,837	25,488
Investments		44,408	36,125
<b>Total income</b>	2	<b>105,733</b>	<b>194,028</b>
<b>Expenditure</b>			
<i>Raising funds</i>			
Investment management costs		(4,048)	(5,233)
Fundraising costs		(6,436)	(12,701)
		(10,484)	(17,934)
Charitable activities		(105,912)	(84,600)
<b>Total expenditure</b>	3	<b>(116,396)</b>	<b>(102,534)</b>
(Losses)/gains on investments	4	(181,693)	94,849
<b>Net (expenditure)/income and net movement in funds</b>		<b>(192,356)</b>	<b>186,343</b>
Fund balances brought forward at 1 April		1,857,792	1,671,449
<b>Fund balances carried forward at 31 March</b>		<b>1,665,436</b>	<b>1,857,792</b>

All of the Charity's activities are derived from continuing operations. There are no recognised gains or losses other than those disclosed above.

# Balance Sheet as at 31 March 2020

	Notes	31 March 2020		31 March 2019	
		£	£	£	£
<b>Fixed assets</b>					
Investments	4	1,510,319		1,570,383	
<b>Current assets</b>					
Debtors	5	11,046		76,809	
Cash at bank and in hand		146,817		216,894	
Total current assets			157,863		293,703
Creditors: amounts falling due within one year	6		(2,746)		(6,294)
<b>Net current assets</b>			155,117		287,409
<b>Total net assets</b>			<b>1,665,436</b>		<b>1,857,792</b>
<b>The funds of the Charity:</b>					
Unrestricted income funds			<b>1,665,436</b>		<b>1,857,792</b>
<b>Total charity funds</b>			<b>1,665,436</b>		<b>1,857,792</b>

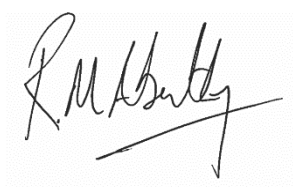
The attached notes on pages 18 to 27 form an integral part of these financial statements. The financial statements on pages 15 to 27 were approved by the Trustee on 16 October 2020 and signed on its behalf by:



MCL Aspinall

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16 October 2020



RM Abernethy

Clerk to The Mercers' Company



# Statement of Cash Flows for the year ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	9	7,862	(20,217)
<b>Cash flows from investing activities:</b>			
Interest received		223	138
Dividends received		43,467	43,273
Purchase of quoted investments		(928,818)	(805,341)
Increase in cash held by investment managers		(97,761)	(61,542)
Proceeds from the sale of quoted investments		904,950	869,149
Net cash (used in)/ provided by investing activities		(77,939)	45,677
<b>Change in cash and cash equivalents in the financial year</b>			
		(70,077)	25,460
<b>Cash and cash equivalents at the beginning of the financial year</b>			
		216,894	191,434
<b>Cash and cash equivalents at the end of the financial year</b>			
	9	<b>146,817</b>	<b>216,894</b>

# Notes to the financial statements

## 1 ACCOUNTING POLICIES

### ACCOUNTING BASIS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('SORP (FRS 102)') and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the SORP (FRS 102) rather than the previous withdrawn version which it replaced.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### GOING CONCERN

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustee has considered the impact of the current Coronavirus pandemic on the Charity's operations, with a particular focus on its effect on its beneficiaries and suppliers and on the Charity's income and expenditure. The Trustee does not consider this to be cause for material uncertainty in respect of the Charity's ability to continue as a going concern. The Charity has reforecast its grant making budget and adapted to its beneficiaries' needs. The Trustee considers that it has sufficient financial resources for the foreseeable future, despite the current crisis. Therefore, the financial statements have been prepared on a going concern basis.

## CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

There are no significant estimates or judgements used in the preparation of the financial statements.

## INCOME

All income, comprising donations and legacies, income from events and dividends from investments is reported on an accruals basis when the Charity has entitlement, receipt is probable and the amount can be measured with sufficient reliability. Income relating to a subsequent financial period is carried forward as a creditor in the balance sheet and shown as deferred income. Event income is recognised when the event occurs.

## EXPENDITURE

All expenditure is included on an accruals basis and is recognised as soon as there is a legal or constructive obligation committing the Charity to it, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is included with the underlying expenses and charged to the Statement of Financial Activities (SOFA) as incurred. Support costs relate to staff time and facility costs incurred by The Mercers' Company on behalf of the Charity and are allocated to the Charity on an accruals basis. Support costs have been allocated between activities based on estimated breakdowns of staff time and grant making activity. This includes time spent on the governance arrangements, relating to the general running of the Charity.

## GRANTS

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

## INVESTMENT GAINS AND LOSSES

Unrealised gains and losses for the year reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward (or cost if acquired in the year). Unrealised and realised investment gains or losses are shown net on the SOFA.

## INVESTMENTS

Investments are stated at their market value at the balance sheet date. Cash held by investment managers is recognised as part of investments.

## TAXATION

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. Accordingly, no provision is made for current or deferred taxation.

## FUNDS

The Charity has one type of fund:

- ▲ UNRESTRICTED – WHERE THE FUND IS NOT RESTRICTED AS TO USE OTHER THAN IN FURTHERING THE OBJECTS OF THE CHARITY.

## FINANCIAL INSTRUMENTS

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, except for investments which are measured at fair value.

## 2 INCOME

Analysis of donations and legacies income:

	2020 £	2019 £
Regular giving schemes: Give as You Earn, Standing Order Scheme	34,064	31,693
Donations from The Mercers' Company	8,824	12,452
Legacies	-	65,000
Other one off donations from individuals	8,600	23,270
	51,488	132,415

Analysis of donations and sponsorships for events income:

	2020 £	2019 £
Reeling Evening	-	25,488
Quiz Night	9,837	-
	9,837	25,488

Investment income is generated from the General Investment Fund and bank interest.

## 3 EXPENDITURE

a) Analysis of total expenditure:

	Further notes	Grant- making £	Governance & Support costs £	Other direct costs £	Total 2020 £	Total 2019 £
Investment management costs		-	72	3,976	4,048	5,233
Fundraising costs		-	-	6,436	6,436	12,701
Charitable activities	11	95,000	10,912	-	105,912	84,600
		95,000	10,984	10,412	116,396	102,534

	<b>Further notes</b>	<b>Grant- making £</b>	<b>Governance &amp; Support costs £</b>	<b>Other direct costs £</b>	<b>Total 2019 £</b>
Investment management costs		-	52	5,181	5,233
Fundraising costs		-	-	12,701	12,701
Charitable activities	11	70,160	14,440	-	84,600
		70,160	14,492	17,882	102,534

## b) Analysis of governance and support costs

	<b>Basis of apportionment</b>	<b>Raising funds £</b>	<b>Charitable activities £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Staff costs	Staff time	72	6,280	6,352	9,292
Office administration	Staff time	-	560	560	480
IT & telephone services	Staff time	-	1,044	1,044	1,532
Offices & meeting facilities	Staff time	-	868	868	1,148
Audit fees	Expenditure	-	2,160	2,160	2,040
		72	10,912	10,984	14,492

	<b>Basis of apportionment</b>	<b>Raising funds £</b>	<b>Charitable activities £</b>	<b>Total 2019 £</b>
Staff costs	Staff time	52	9,240	9,292
Office administration	Staff time	-	480	480
IT & telephone services	Staff time	-	1,532	1,532
Offices & meeting facilities	Staff time	-	1,148	1,148
Audit fees	Expenditure	-	2,040	2,040
		52	14,440	14,492

The Charity has no employees (2019: nil). The Mercers' Company, by way of a services agreement, provides staff to the Charity. The Trustee has not received any emoluments or reimbursements during the year for services as a Trustee (2019: nil). No Trustee indemnity insurance costs have been paid by the Charity (2019: nil). £1,728 (excluding irrecoverable VAT) (2019: £1,700) was charged to the SOFA for audit fees.

## 4 QUOTED INVESTMENTS

The changes during the year are as follows:

	<b>1 April</b>			<b>Movement</b>	<b>Revaluation</b>	<b>31</b>
	<b>2019</b>	<b>Purchases</b>	<b>Sales</b>	<b>in cash</b>	<b>losses</b>	<b>March</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>
General Investment Fund	1,570,383	1,124,340	(882,021)	(204,622)	(97,761)	1,510,319
Historical cost	1,432,845					1,607,146

Since the year end, realised and unrealised gains of £306,054 have been made in the period to 30 September 2020.

The General Investment Fund investments, managed by Rathbone Brothers Plc, had the following investment asset allocation:

	<b>31 March</b>	
	<b>2020</b>	
	<b>£'000</b>	<b>%</b>
UK Equities	667	44.2
Overseas Equities	607	40.2
Fixed Interest	147	9.7
Alternatives	20	1.3
Cash	69	4.6
Total	1,510	100.0

No individual holding in each of the investment classes above was more than 5% of total investments. Net investment losses during the year totalled £181,693 (2019: £94,849 gains). This includes realised losses. All investments are held in the United Kingdom.

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## 5 DEBTORS

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Debtors are made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Tax reclaimable	1,039	2,892
Dividends receivable	1,182	465
Donations and Legacies	8,824	73,452
	<b>11,046</b>	<b>76,809</b>

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## 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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Creditors are amounts falling due within one year and are made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit Fee	2,160	2,040
Other creditors	586	4,254
	<b>2,746</b>	<b>6,294</b>

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## 7 GRANT COMMITMENTS

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The Charity had no commitments at the end of the year in respect of charitable grants (2019: none).



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## 8 RELATED PARTIES AND CONNECTED CHARITIES

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The following related parties and charities have common management and are therefore regarded as connected:

Becket House Limited (dormant)  
Charity of Sir Richard Whittington  
St Paul's Schools Foundation  
Earl of Northampton's Charity  
Lady Campden's Money Legacy for Loans  
Longacre Estates Limited (dormant)  
Longmartin Properties Limited  
Maiden Trading Limited (dormant)  
Mercers' Company Educational Trust Fund (dormant)  
Mercers' Company Housing Association  
Mercers' School Memorial Trust (incorporating The Merrett Bequest)  
MSM Trust (dormant)  
Old Mercers' Benevolent Fund  
The Mercers' Charitable Foundation  
The Mercers' Company

The principal address of the above entities is:

6 Frederick's Place  
London EC2R 8AB

The Mercers' Company donated £6,436 in goods and services for fundraising (2019: £12,701). The Mercers' Company allocated overheads of £8,824 (2019: £12,452) and donated £8,824 (2019: £12,452). There were no other transactions with related parties requiring disclosure (2019: none).

## 9 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting year (as per statement of financial activities)	(192,356)	186,343
Adjustments for:		
Losses/(gains) on investments	181,693	(94,849)
Interest receivable	(223)	(138)
Dividends receivable	(44,185)	(35,987)
Change in debtors	66,481	(74,733)
Change in creditors	(3,548)	(853)
Net cash generated by/(used in) operating activities	7,862	(20,217)

### ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	146,817	216,894
Total cash and cash equivalents	146,817	216,894

## 10 GRANTS

Listed below are all charitable grants made during the year:

	2020 £
Compassionate Friends	25,000
Helford River Children's Sailing Trust	10,000
The Listening Place	25,000
Renaissance Foundation	10,000
The Daniel Spargo Mabbs Foundation	25,000
Total grant making (2019: £70,160)	95,000

# LEGAL & ADMINISTRATIVE INFORMATION

## LEGAL STATUS

The Charter 600 Charity was established in 1994 to commemorate the 600th anniversaries both of the grant of The Mercers' Company's first Charter in 1394 and of the first Mastership of Sir Richard Whittington in 1395.

The Charity operates under a Trust Deed dated 27 October 1995. The registered charity number is 1051146.

## PRINCIPAL ADDRESS

6 Frederick's Place  
London EC2R 8AB

## INDEPENDENT AUDITOR

Buzzacott LLP  
130 Wood Street, London, EC2V 6DL

## BANKERS

Barclays Bank PLC,  
1 Churchill Place, London E14 5HP

## SOLICITORS

Bates, Wells & Braithwaite,  
10 Queen Street Place, London EC4R 1BE

## INVESTMENT MANAGERS

Rathbone Brothers Plc  
1 Curzon Street, London W1J 5FB