

COMPANY REGISTRATION NUMBER: 3100993

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**

COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

Charity Number: 1050213

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY
Company Limited by Guarantee**

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**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

Reference and Administrative Details

Year ended 31 July 2023

Registered Charity Name	The Cordwainers Educational and Training Charitable Trust Company
Charity Number	1050213
Company Registration Number	3100993
Principal Office	Saddlers House Gutter Lane LONDON EC2V 6BR
Registered Office	Saddlers House Gutter Lane LONDON EC2V 6BR
Trustees (In post at 21 November 2023)	G C R Booth A Chamberlain S A Childs J D Church C P Fairweather E C Fairweather J H Millidge (Chair) A B N Peal (appointed 12 July 2023) R O M Williams
Secretary	P J Graham
Auditor	Haysmacintyre LLP 10 Queen Street Place LONDON EC4R 1AG
Bankers	Hoares Bank 37 Fleet Street LONDON EC4Y 1BT
Investment Managers	Bordier and Cie (UK) PLC 23 King Street LONDON SW1Y 6QY

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

**Trustees' Annual Report
For the year ended 31 July 2023**

The trustees, who are also directors for the purposes of company law, present their annual report and the financial statements of the company for the year ended 31 July 2023.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (second edition, issued in 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of general information on page 1 of the financial statements.

TRUSTEES

The trustees who served the Company during the period were as follows:

- G C R Booth
- A Chamberlain
- S A Childs
- J D Church
- C P Fairweather
- E C Fairweather
- J H Millidge (Chair)
- A B N Peal (appointed 12 July 2023)
- J C Peal (resigned 12 July 2023)
- J S Y Rubinstein (resigned 15 November 2022)
- R O M Williams

STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE CHARITY

Governing document

The Cordwainers Education and Training Charitable Trust Company is a charity registered with the Charity Commission and a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated on 6 September 1995.

The charity was established for the promotion of education through, but not limited to, the provision of accommodation for individuals undertaking vocational or educational training, and for the support of education and training through the distribution of grants and awards. The charity owns Cordwainers Court, Mare Street, London, E9 7PS which provides affordable accommodation to students studying at the University of the Arts London (UAL).

Induction and training of new trustees

On appointment, new trustees receive detailed information on both their role as a trustee and the charity. They are invited to attend a trustees' meeting before formally accepting the position and are also invited and encouraged to visit Cordwainers Court and to take part in aspects of the charity's work to gain a fuller understanding of the issues involved.

Organisational structure

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. There is a minimum of four trustees, three of which are ex-officio and are appointed by the Worshipful Company of Cordwainers. Other trustees, including an independent trustee, are elected by the board of trustees of the charity. All appointments are subject to ratification at the next Annual General Meeting. The charity has management liability insurance, which indemnifies the trustees.

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY
Company Limited by Guarantee**

**Trustees' Annual Report
For the year ended 31 July 2023**

Related parties

The charity has a close relationship with the Worshipful Company of Cordwainers, which, in accordance with the Memorandum and Articles of Association, appoints three ex-officio trustees.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. To this end, the charity maintains a risk register.

The trustees have assessed the major risks to which the charity is exposed, in particular those related to operations and finances of the charity and are satisfied that systems and controls are in place to mitigate exposure to the major risks. As part of the process, the trustees review:

- A detailed budget and cash flow forecast which are reforecast regularly, taking account of variances in income and expenditure
- Quarterly management accounts

The trustees have reviewed the charity's own internal financial controls and those used by UAL, as managers of the property, and are satisfied that these are appropriate in minimising any risk to the charity's funds.

The immediate risk facing the charity currently is the impact of the cost of living rise and increased fuel costs. In the short term, the charity could draw on reserves to mitigate the impact of the unavoidable expenditure but in the longer term, student rents may need to increase. In the longer term, another significant risk to the charity is the age of Cordwainers Court and the fact that it will require major refurbishment within the next ten years. In response to this, the trustees have commissioned an appraisal of the site in order to review potential options for the accommodation for the next 25 years and will be reviewing these during the current financial year.

CHARITABLE OBJECTIVES AND ACTIVITIES

Objects

The charity's objects are the promotion of education and in particular, but without prejudice to the generality of the foregoing:

- The provision of accommodation for individuals undergoing vocational and educational training.
- The creation of scholarships, bursaries, prizes and the support of education and training through grants and awards.

Donations policy

It is the policy of the trustees to use available income to provide affordable student accommodation. The four blocks of Cordwainers Court, consisting of 25 self-catering flats, mostly for four students, are maintained to a high level. In addition, the charity supports education through the distribution of grants and awards in the form of scholarships, bursaries and other awards, such as for hardship.

Public benefit

The objects of the charity are to provide accommodation for those undergoing vocational and educational training and to make available scholarships and bursaries to students. The trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 in that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
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**Trustees' Annual Report
For the year ended 31 July 2023**

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

In addition to providing grants, the trustees see one of the primary charitable activities of the charity as the provision of affordable student accommodation in a city where rents are often excessive and consequently unaffordable for many; as a result, since its construction, Cordwainers Court has proved highly popular with students. The hall of residence again achieved full occupancy during the year, as students have struggled with the cost-of-living rise, with many now taking the accommodation on 50-week contracts.

Grants totalling £50,000 were made to three educational institutions in 2022-2023: £39,000 was allocated to the London College of Fashion, part of the University of Arts London, £3,500 to De Montfort University (part of a total grant of £15,000) and £7,500 to Capel Manor College. These grants were used to support students studying footwear design or shoemaking, through scholarships, bursaries, and prizes for excellence. An additional sum of £10,000 was provided to UAL, for the university-run Student Welfare and Enrichment programme and a hardship fund and was thus able to help the wider student population.

Over the summer, the programme of refurbishment has continued with D Block being upgraded and redecorated. More boilers had to be replaced during the year.

FINANCIAL REVIEW

Financial performance

The charity ended the year with a surplus for the year of £123,853 (2022: surplus £121,665) before net investment losses of £14,175 (2022: losses £10,443), and an overall favourable net movement in funds of £109,678 (2022: favourable £111,222).

Reserves policy

The financial position of the charity remains positive and the result for the year is shown on page 9.

It is the normal policy of the charity to maintain free funds at a level which equates to or exceeds approximately 12–24 months operational expenditure. The trustees are aware the charity is currently holding significant levels of cash reserves. This has been a deliberate policy in recent years as the trustees are conscious there will be a need for major expenditure on the property within a few years.

The level of reserves as at 31 July 2023 was £4,352,897 (2022: £4,243,219) and the reserves were wholly unrestricted. Free funds, being unrestricted reserves excluding tangible fixed assets, were £1,881,364 (2022: £1,661,428). Of the reserves, £1 million is allocated to the general operational reserve and the balance is allocated to a redevelopment reserve. The latter is being built up in order to cover a period without income when the redevelopment of the hall of residence takes place.

Investment policy and objectives

The trustees have power to make any investment which they see fit. Some of the charity's assets are invested in a balanced portfolio, managed by Bordier and Cie (UK) PLC, who act as independent custodians on behalf of the charity.

PLANS FOR FUTURE PERIODS

As Blocks A–C are now over 20 years old, the trustees are considering options for a major refurbishment to take place in the next few years. Following a full appraisal of the site, a number of options have been discussed with Hackney Council in a pre-application planning meeting, in order to ensure that the redevelopment produces

**THE CORDWAINERS EDUCATIONAL AND TRAINING
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**Trustees' Annual Report
For the year ended 31 July 2023**

high quality accommodation for the next 25 – 30 years. The provision of affordable student accommodation in London remains the current strategy of the trustees.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of The Cordwainers Educational and Training Charitable Trust Company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company 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 Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2016. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

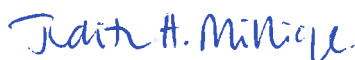
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with company law, each person who is a trustee and company director at the date of approval of this report confirms that:

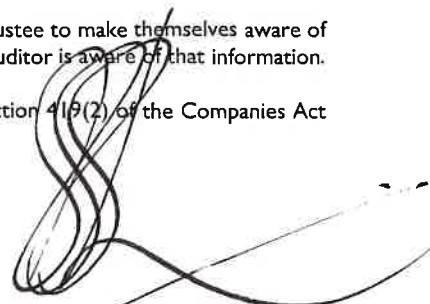
- So far as the trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is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

This report is prepared in accordance with the small companies' regime (section 419(2) of the Companies Act 2006).

Signed by order of the trustees on 21 November 2023:



J H Millidge
Trustee/Chairman



P J Graham
Company Secretary

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE
CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**

For the year ended 31 July 2023

OPINION

We have audited the financial statements of The Cordwainers Educational and Training Charitable Trust Company ('the charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2023, and of its net movement in funds, including 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 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 charitable company 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 group'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.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE
CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**

For the year ended 31 July 2023

OPINIONS ON OTHER MATTERS PRESCRIBED BY COMPANIES ACT 2006

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report prepared for the purpose of company law).

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 by the charitable company; 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company 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 controls as the trustees determine 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 charitable company'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 charitable company 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax and value added tax.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE
CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**

For the year ended 31 July 2023

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particular, any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charitable company'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 charitable company'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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Broome (Senior Statutory Auditor)
For and on behalf of
Haysmacintyre LLP
10 Queen Street Place
LONDON
EC4R 1AG

21 November 2023

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

**Statement of Financial Activities
(including Income and Expenditure Account)**

For the year ended 31 July 2023

	Note	2023 £	2022 £
INCOME			
Donations and legacies	2	4,651	3,517
Donations in kind	19	-	572
Income from investments	3	25,116	7,331
Income from charitable activities	4	876,125	825,898
TOTAL INCOME		905,892	837,318
EXPENDITURE			
Raising funds – investment manager’s fees		(2,823)	(2,857)
Charitable activities	5	(779,216)	(712,224)
Cost of services donated by the Worshipful Company of Cordwainers	19	-	(572)
TOTAL EXPENDITURE		(782,039)	(715,653)
NET INCOME BEFORE GAINS/(LOSSES) ON INVESTMENTS		123,853	121,665
Realised gains/(losses) on investments		5,125	6,459
Unrealised (losses)/gains on investments	11	(19,300)	(16,902)
NET MOVEMENT IN FUNDS FOR THE YEAR		109,678	111,222
Total funds brought forward		4,243,219	4,131,997
TOTAL FUNDS CARRIED FORWARD		4,352,897	4,243,219

All the above amounts relate to continuing activities.

All the above amounts relate to unrestricted funds.

The notes on pages 12 to 18 form part of these accounts

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

Balance Sheet

At 31 July 2023

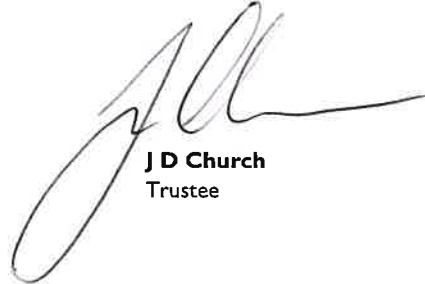
	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	10	2,471,533	2,581,791
INVESTMENTS			
Investments	11	842,916	546,874
CURRENT ASSETS			
Debtors	12	37,116	40,323
Cash at bank		1,129,281	1,200,259
		<u>1,166,397</u>	<u>1,240,582</u>
CREDITORS: Amounts falling due within one year	13	(127,949)	(126,028)
NET CURRENT ASSETS		<u>1,038,448</u>	<u>1,114,554</u>
TOTAL ASSETS		<u>4,352,897</u>	<u>4,243,219</u>
FUNDS			
Unrestricted income funds		4,352,897	4,243,219
TOTAL FUNDS		<u>4,352,897</u>	<u>4,243,219</u>

These accounts have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

These financial statements were approved by the trustees and authorised for issue on 21 November 2023 and are signed on their behalf by:



J H Millidge
Trustee/Chairman



J D Church
Trustee

The notes on pages 12 to 18 form part of these accounts

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

Statement of Cash Flows

For the year ended 31 July 2023

	Notes	2023 £	2022 £
Cash provided by operating activities	18	214,123	222,479
Cash flows from investing activities			
Investment income		25,116	7,331
Purchase of investments		(440,358)	(148,275)
Movement on cash with investment managers		14,027	(6,532)
Disposal of investments		116,114	150,417
Cash from/(used) in investing activities		(285,101)	2,941
Increase in cash and cash equivalents		(70,978)	225,420
Cash and cash equivalents at the beginning of the year		1,200,259	974,839
Total cash and cash equivalents at the end of the year		1,129,281	1,200,259

The notes on pages 12 to 18 form part of these accounts

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY**
Company Limited by Guarantee

Notes to the Financial Statements

For the year ended 31 July 2023

I ACCOUNTING POLICIES

The Cordwainers Educational and Training Charitable Trust Company is a registered charity (charity number: 1050213) and a company limited by guarantee in England and Wales (company number: 3100993). In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to provide affordable quality student accommodation, and to make available scholarships and bursaries to students.

The principal accounting policies adopted, judgements and sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (second edition, issued in October 2019) and the Companies Act 2006.

The financial statements are prepared under the historical cost convention except for investments which are revalued at the balance sheet date.

The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest pound.

The Cordwainers Educational and Training Charitable Trust Company meets the definition of a public benefit entity under FRS 102.

Going concern

The accounts are prepared on a going concern basis which assumes that the charitable company will continue to operate for the foreseeable future and a minimum period of 12 months from the approval of the accounts.

The charity reported a cash outflow of £70,978 for the year but with the current level of cash reserves, the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Academic rental income is recognised on a receivable basis.

Donations and grants

Income from donations, grants and covenants, is included in income when these are receivable.

Donations in kind are included at the estimated value to the charity of the services received.

Interest receivable

Interest is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

**THE CORDWAINERS EDUCATIONAL AND TRAINING
CHARITABLE TRUST COMPANY
Company Limited by Guarantee**

Notes to the Financial Statements

For the year ended 31 July 2023

Expenditure and irrecoverable VAT

Expenditure is accounted for on an accruals basis and is recognised once there is an obligation to make a payment to a third party and the amount of the obligation can be measured reliably. Expenditure is inclusive of any VAT which cannot be recovered. The costs associated with donations in kind are included at the same value as the related income.

Expenditure which is directly attributable to specific activities has been included in the cost of operation of the activities. Other office costs which are attributable to more than one activity are allocated to support.

A management charge is payable to UAL. This is included in the cost of operation of Cordwainers Court. Grants offered subject to conditions which have not yet been met at the year-end date are noted as a commitment but not accrued as expenditure.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The charity had no restricted income and expenditure or funds in the current and prior years.

Fixed assets

Assets with a useful life in excess of one year are capitalised on the balance sheet. All fixed assets are recorded initially at cost.

Depreciation

Property, fixtures and fittings are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

- Freehold property – 2% reducing balance
- Fixtures and fittings – 10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the net book value of the asset and is recognised in net income/(expenditure) for the year.

Investments

Listed investments are valued using the bid price at the year-end date.

Trade debtors

Trade debtors are the amounts due from students for rent in the ordinary course of business.

Trade creditors

Trade creditors are amounts due to suppliers for services provided in the ordinary course of business.

**THE CORDWAINERS EDUCATIONAL AND TRAINING
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Company Limited by Guarantee**

Notes to the Financial Statements

For the year ended 31 July 2023

Taxation

The charity is exempt from corporation tax on its charitable activities.

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

Critical accounting judgements and key sources of estimation

In the application of the charity's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 10 for the carrying amount of the property, fixtures and fittings, and Note 1 for the useful economic lives for each class of asset.

2 DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	<u>4,651</u>	<u>3,517</u>

3 INCOME FROM INVESTMENTS

	2023	2022
	£	£
Bank and other interest receivable	12,076	84
Dividends	<u>13,040</u>	<u>7,247</u>
	<u>25,116</u>	<u>7,331</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Rents receivable	873,033	819,776
Sundry income	<u>3,092</u>	<u>6,122</u>
	<u>876,125</u>	<u>825,898</u>

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For the year ended 31 July 2023

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	2023 £	2022 £
Grants		50,000	55,000
Cordwainers Court management and operational expenses		490,340	458,445
Support costs	6	238,876	198,779
		<u>779,216</u>	<u>712,224</u>

6 SUPPORT COSTS

	2023 £	2022 £
Support costs:		
Salaries, Employer's NIC and pension costs	51,634	48,880
Office expenses	1,099	1,248
Depreciation	110,258	115,836
Governance costs (see below)	75,885	32,815
	<u>238,876</u>	<u>198,779</u>

Governance costs:		
Auditor's remuneration	6,432	5,136
Accountancy fees	1,619	1,782
Professional fees	67,834	25,897
	<u>75,885</u>	<u>32,815</u>

7 NET INCOME FOR THE YEAR

The net income before gains/(losses) on investments is stated after charging:

	2023 £	2022 £
Depreciation	110,258	115,836
Auditor's remuneration	6,432	5,136
Accountancy fees – software package and payroll	<u>1,619</u>	<u>1,782</u>

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8 STAFF COSTS AND NUMBERS

Total staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	48,623	46,132
Social security and pension costs	3,011	2,748
	<u>51,634</u>	<u>48,880</u>

Particulars of employees:

The charity directly employed three part-time staff members and the average monthly number of employees (including part-time staff) during the year was 3. The average number of full-time equivalents was as follows:

	2023	2022
	No	No
Support Staff	<u>1</u>	<u>1</u>

No employee received remuneration of more than £60,000 during the year (2022: Nil).

A management charge of £238,571 (2022: £224,538) was payable to the UAL during the year. This charge covers administrative and building management services and includes the cost of three staff members, employed by the UAL who work at Cordwainers Court.

9 TRUSTEES' REMUNERATION AND BENEFITS AND THE COST OF KEY PERSONNEL

The key management of the charity comprises the trustees and no remuneration was received by the trustees. No trustees' expenses were paid in either year.

10 TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Total £
COST			
At 1 August 2022	2,807,359	775,029	3,582,388
Additions	-	-	-
At 31 July 2023	<u>2,807,359</u>	<u>775,029</u>	<u>3,582,388</u>
DEPRECIATION			
At 1 August 2022	463,508	537,089	1,000,597
Charge for the year	38,837	71,421	110,258
At 31 July 2023	<u>502,345</u>	<u>608,510</u>	<u>1,110,855</u>
NET BOOK VALUE			
At 31 July 2023	<u>2,305,014</u>	<u>166,519</u>	<u>2,471,533</u>
At 31 July 2022	<u>2,343,851</u>	<u>237,940</u>	<u>2,581,791</u>

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Cushman and Wakefield carried out an open market valuation of the properties in July 2015 when the freehold building was valued at £6,600,000. There is no policy of ongoing property revaluation, so the 2015 valuation was not reflected in the financial statements. Land is not depreciated because it is assumed to have an unlimited useful economic life.

11 INVESTMENTS

	2023	2022
	£	£
Market value brought forward	526,310	538,895
Purchases at cost	440,358	148,275
Disposals at opening market value or cost	(110,989)	(143,958)
Change in market value carried forward	(19,300)	(16,902)
	<u>836,379</u>	<u>526,310</u>
 Cash held for investment	 6,537	 20,564
 Total investments	 <u>842,916</u>	 <u>546,874</u>
 Historical cost of investments (excluding cash)	 <u>482,511</u>	 <u>453,182</u>

12 DEBTORS

	2023	2022
	£	£
Trade debtors	9,194	15,005
Prepayments	27,857	25,212
Gift Aid debtor	65	106
	<u>37,116</u>	<u>40,323</u>

13 CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	23,369	71,592
Other creditors	1,788	1,508
Accruals	102,792	52,928
	<u>127,949</u>	<u>126,028</u>

14 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and therefore does not have any share capital. Any surplus made cannot be distributed to members and the members have not claimed upon the company assets. There is no ultimate controlling party of the charity. Each member's liability is limited to £10.

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For the year ended 31 July 2023

15 CONTINGENCIES

The trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 July 2023 (2022: Nil).

16 CAPITAL COMMITMENTS

As at 31 July 2023 the charity had no outstanding capital expenditure commitments (2022: Nil).

17 POST BALANCE SHEET EVENTS

No events have occurred since the balance sheet date which would have a material effect on these accounts.

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	109,678	111,222
Less investment gain/Add: investment loss	(5,125)	(6,459)
Less: unrealised investment gain/Add: unrealised investment loss	19,300	16,902
Add: depreciation charge	110,258	115,836
Less: interest shown in investing activities	(25,116)	(7,331)
Decrease/(increase) in debtors	3,207	(6,780)
Increase/(decrease) in creditors	1,921	(911)
Net cash provided by operating activities	<u>214,123</u>	<u>222,479</u>

19 RELATED PARTY TRANSACTIONS

The Worshipful Company of Cordwainers is considered to be a related party of the charity as the Company has a longstanding, historic connection with the charity and the Company has representation on the Board of Trustees.

During the year the Worshipful Company of Cordwainers donated services to a value of £nil (2022: £572) to the charity in respect of staff costs.

Accruals include £Nil (2022: £nil) due to the Worshipful Company of Cordwainers at the year-end.