

# Samuel Wilson's Loan Charity

Annual Report and Financial Statements for the year  
ended 31 March 2022

Charity registration number 206964

Financial Conduct Authority Number 718857

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## **ORIGINS OF THE CHARITY**

Samuel Wilson was a Quaker who lived in Hatton Garden in the 18th Century. He was a widower when he died and had no surviving children. In his Will, dated 27th October 1766, he left the sum of £20,000 to form the basis of the Trust which was established in 1771.

# **TRUSTEES' ANNUAL REPORT**

## **STRUCTURE AND GOVERNANCE**

### **GOVERNING DOCUMENTS**

The constitution of this charity was originally set out in the will of Samuel Wilson dated 27 October 1766, with administration being more recently governed by amendments to a scheme of the Charity Commission. In March 2011, the Charity Commission approved a revised scheme which widened the objects and complied with modern charity law by adopting a new charitable purpose: "The relief of young people in need by reason of ill-health, disability, financial hardship or other disadvantage for the public benefit", through the provision of individual loan at a low rate of interest.

### **GOVERNANCE ARRANGEMENTS**

Individuals act as Trustees of the charity by virtue of positions that they hold with the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic. These individuals act as Trustees during the tenure of these positions. In making appointments, the Court of Aldermen will take into consideration any particular expertise and knowledge of the elected Members.

The Trustees believe that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

## **OBJECTIVES AND ACTIVITIES**

The objective of the charity is the relief of young people in need by reason of ill-health, disability, financial hardship or other disadvantage for the public benefit by: a) the provision of loans to individuals, partnerships and companies preparing for or engaged in any trade, manufacture, business or profession in the area comprising greater London and the counties of Buckinghamshire, Essex, Hertfordshire, Kent, Surrey, East Sussex and West Sussex; b) investing in shares of companies preparing for or engaged in any trade, manufacture, business or profession in the area comprising greater London and the counties of Buckinghamshire, Essex, Hertfordshire, Kent, Surrey, East Sussex and West Sussex.

### **Investment Policy**

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy of the Charities Pool is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool (which

include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 18.

### **Public benefit statement**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Samuel Wilson's Loan Charity aims and objectives and in planning future activities. The purposes of the charity are as stated above. Applicants for loans are identified via our website, local advertising and referrals from other charitable bodies.

Consequently, the Trustees consider that the charity operates to benefit the general public and satisfies the public benefit test.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

The administrative details of the charity are stated on page 18.

## **ACHIEVEMENTS AND PERFORMANCE**

Income from investments and loan advances was £135,313 (2020/2021: £104,546). During the year, 4 new loans totalling £100,000 were awarded (2019/20: no loans were awarded during the year). At 31 March 2022, the Trust had outstanding loans of £199,011 made to young persons, of which a doubtful debt provision of £50,747 was recognised (2020/21: £144,406 of which a doubtful debt provision of £62,138 was recognised). There were no debts written off during the year (2020/21: debts totalling £136.05 were written off).

Granting of loans at a low interest rate to young persons has demonstrated the Trust's charitable purpose for the public benefit.

Surplus income is carried forward to be utilised or invested in future years.

## **PLANS FOR FUTURE PERIODS**

To continue to benefit young persons who have recently or are about to set up in business by granting loans at a low rate of interest. The Trustees continue to actively explore ways of maximising the number of loans granted and they are looking to enter into arrangements with other organisations to facilitate this and to promote the Trust more widely amongst the entrepreneurial community.

The charity merged with the Thomas Arneways Loan Charity in May 2022.

Following the year end, the Trustees celebrated the 250th anniversary of the Samuel Wilson's Loan Trust in April 2022 and are taking the opportunity to further promote the loan potential of the Trust.

There will be a review into ways of improving the performance of the Charity including possible widening of objectives and changes to administrative arrangements.

The Trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 11.

## FINANCIAL REVIEW

### Overview of Financial Performance

#### Income

In 2021/22 the charity's total income for the year was £135,313, an overall increase of £30,767 (2020/21: £104,546).

Income from charitable activities comprised £4,158 from interest on loan advances (2020/21: £2,989).

Investment income totalled £131,155 (2020/21: £101,557), including managed investments income of £129,791 (2020/21: £98,088) and interest on bank balances held of £1,364 (2020/21: £3,469).

#### Expenditure

Total expenditure for the year was £4,083 all being for charitable activities (2020/21: £31,610). Costs relate to the operation activities of the charity at £15,474 (2020/21: £14,529) alongside a decrease to the provision for bad debts of £11,391 (2020/21: increase of £16,946).

#### Investment performance

Over the course of 2021/22 the Charities Pool investment strategy delivered an absolute return (gross of fees) of 11.1% which was below the FTSE All Share Index benchmark return of 13.0%, although this followed a period of outperformance in the prior year (the investment strategy gained 30.7% in 2020/21 versus 26.7% from the benchmark). The Charities Pool invests in an actively managed, high conviction strategy where performance is expected to be volatile over the short term. Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown below.

#### Investments performance

	2021/22		2020/21	
	3 year	5 year	3 year	5 year
City of London Charities Pool	7.30%	6.20%	5.04%	7.19%
FTSE All Share	5.30%	4.70%	3.19%	6.29%
Fund outperformance	+2.00%	+1.50%	+1.85%	+0.90%

#### Funds held

The charity's total funds held increased by £243,886 to £3,011,507 as at 31 March 2022 (2020/21: £2,767,621). All funds held are unrestricted income funds, with any undistributed income held for use in future years in accordance with the objectives of the charity.

Details of funds held, including their purpose, is set out within note 1(k) to the financial statements.

### **Reserves policy**

The Trust does not require any reserves to fulfil its objectives as it only needs sufficient funds to advance loans in accordance with the objectives.

The Trustees review the level of cash balances on a regular basis and invest surplus cash into charities pool units in order to ensure that returns on retained balances are maximised.

### **Principal Risks and Uncertainties**

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Trustees ensure that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustees. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.



## TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless the Trustees are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- 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 the Trustees to ensure that the financial statements comply with the Charities Act 2011. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Adopted and signed for on behalf of the Trustees.

Alderman Vincent Keaveny, (Chairman)

Trustee

XX January 2023

# **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SAMUEL WILSON'S LOAN CHARITY**

To be provided by Crowe

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

		<b>Unrestricted Funds</b>	Unrestricted Funds
	Notes	<b>2021/22 £</b>	2020/21 £
<b>Income from:</b>			
Investments	2	<b>131,155</b>	101,557
Charitable activities	3	<b>4,158</b>	2,989
<b>Total income</b>		<b>135,313</b>	104,546
<b>Expenditure on:</b>			
Charitable activities	4	<b>4,083</b>	31,610
<b>Total Expenditure</b>		<b>4,083</b>	31,610
Net gain / (losses) on investments	7	<b>114,591</b>	469,125
Unrealised (loss) on short term deposits		<b>(1,935)</b>	(208)
<b>Net income/(expenditure)</b>		<b>243,886</b>	541,853
<b>Reconciliation of funds:</b>			
Total funds brought forward	12	<b>2,767,621</b>	2,225,768
<b>Total funds carried forward</b>	12	<b>3,011,507</b>	2,767,621

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 11 to 17 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 Total £	2021 Total £
<b>Fixed assets:</b>			
Investments	7	2,493,027	2,378,436
Loans due - greater than one year	8	89,032	42,043
<b>Total fixed assets</b>		<b>2,582,059</b>	<b>2,420,479</b>
<b>Current assets</b>			
Debtors	9	74,502	51,488
Cash at bank and in hand		358,750	295,654
<b>Total current assets</b>		<b>433,252</b>	<b>347,142</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(3,804)</b>	-
<b>Net current assets</b>		<b>429,448</b>	<b>347,142</b>
<b>Total net assets</b>		<b>3,011,507</b>	<b>2,767,621</b>
<b>The funds of the charity:</b>			
Unrestricted income funds	12	3,011,507	2,767,621
<b>Total funds</b>		<b>3,011,507</b>	<b>2,767,621</b>

The notes on pages 11 to 17 form part of these financial statements.

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX January 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

#### (a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

#### (b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern in the next 12 months from date of signing these financial statements. As a charity that advances loans, the Trustees manage the charity's cash flows to ensure that the totality of loans do not exceed available resources. The Charity has discretion to award loans based on available funds and with the expectation that funds will be repaid, with available balances carefully managed. Charitable expenditure relates to administrative costs and any provision required against loans, with planning in place to ensure that the charity has sufficient funds available to meet these costs alongside distribution of loans. The charity has significant funds invested compared to the annual costs of charity administration.

The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

#### (c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

#### (d) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a small entity.

**(e) Income**

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of investment income and interest on loans.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis and consists entirely of charitable activities. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

From 1 April 2021, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the independent examination and administration costs incurred on behalf of the Charity. The charity incurs the cost of staff time of 4 individuals at a cost of £5,290 (2020/21: three people at a cost of £4,100).

**(g) Taxation**

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**(h) Investments**

Investments are made in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

Investments are valued at bid price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

**(i) Loans**

Loans are granted to individuals who meet the criteria agreed by the Trustees in accordance with the objectives of the Trust. Interest on loans existing before February 2012 is charged at 1% in the first year and 2% per annum thereafter. For loans advanced between Feb 2012 and Sept 2016, interest is charged at the 5-year gilt flat yield rate plus 1% in the first year and 2% thereafter. For subsequent loan advances, interest is charged at 2% per annum.

**(j) Bad Debts**

An allowance is created to recognise the potential loss arising from irrecoverable debts. Where a risk of debts not being settled is identified, an appropriate proportion of the debtor balance is written down and a charge made to the SOFA for the income that might not be collected.

**(k) Funds structure**

Income, expenditure and gains/losses are allocated to the unrestricted income funds

**Unrestricted income funds** – these funds can be used in accordance with the charitable objects at the discretion of the Trustees and include income generated by assets representing unrestricted funds.

**(l) Insurance**

The charity, elected Members appointed as trustees and staff supporting the charity's administration are covered by the City Corporations insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

**2. INCOME FROM INVESTMENTS**

	<b>Unrestricted funds 2021/22 £</b>	<b>Unrestricted funds 2020/21 £</b>
Investment income	<b>129,791</b>	98,088
Interest on cash balances	<b>1,364</b>	3,469
<b>Total</b>	<b>131,155</b>	101,557

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2021/22 £</b>	<b>Unrestricted funds 2020/21 £</b>
Interest on loan advance	<b>4,158</b>	2,989

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted funds			Unrestricted funds		
	Direct costs £	Support costs £	<b>Total 2021/22 £</b>	Direct costs £	Support costs £	Total 2020/21 £
Administration costs	15,474		<b>15,474</b>	14,664		14,664
(Release of)/contribution to bad debt provision	(11,391)	-	<b>(11,391)</b>	16,946	-	16,946
<b>Total</b>	4,083	-	<b>4,083</b>	31,610	-	31,610

## 5. INDEPENDENT EXAMINERS REMUNERATION

Crowe LLP are the auditors of the City of London's City's Cash Fund and provide assurance services to all of the different charities of which it is Trustee. The City of London Corporation charges the audit / independent examiners fee to its City's Cash Fund. From 2021/22, the City Corporation, as Trustee, seeks reimbursement for the fee incurred for the independent examination of each charity which it administers, which was previously funded by City's Cash. In 2021/22 an independent examination fee of £1,750 was recharged (2020/21: £nil). No other services were provided to the charity by its independent examiners during the year (2020/21: £nil).

## 6. TRUSTEE EXPENSES

The Members of the City of London Corporation acting in their roles as Trustees did not receive any remuneration or reimbursement of expenses during 2021/22 (2020/21: nil).

## 7. INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	<b>2022</b>	2021
	£	£
Market value 1 April	2,378,436	1,659,314
Additions	-	249,997
Disposals	-	-
Gain / (Loss) for the year	114,591	469,125
<b>Market value 31 March</b>	<b>2,493,027</b>	<b>2,378,436</b>
<b>Cost 31 March</b>	<b>1,135,926</b>	<b>1,135,926</b>
Units held in Charities Pool	<b>268,993</b>	268,993

The type of listed investments held as at 31 March was as follows:

	<b>Total at 31</b>	Total at 31
	<b>March</b>	March
	<b>2022</b>	2021
	£	£
Equities	<b>2,310,208</b>	2,218,828
Pooled Units	<b>146,366</b>	127,233
Cash held by Fund Manager	<b>36,453</b>	32,375
<b>Total</b>	<b>2,493,027</b>	2,378,436



## 8. LOANS DUE – MORE THAN ONE YEAR

	2022	2021
	£	£
Loans due after more than one year	89,032	43,546
Less: provision for bad and doubtful debts		(1,503)
<b>Net loans due - within one year</b>	<b>89,032</b>	<b>42,043</b>

Balances due within one year are shown with debtors (Note 9), with an analysis of the amounts due within one year and after one year disclosed.

## 9. DEBTORS – DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accrued income	14,070	11,263
Other debtors - payment in Advance	1,200	0
Other debtors - loans due	59,232	40,225
<b>Total</b>	<b>74,502</b>	<b>51,488</b>

Other debtors - loans due consists of loans made to young people as follows:

	2022	2021
	£	£
Amounts due within one year	109,979	100,860
Less: provision for bad and doubtful debts	(50,747)	(60,635)
<b>Net loans due - within one year</b>	<b>59,232</b>	<b>40,225</b>
<b>Net loans receivable</b>	<b>59,232</b>	<b>40,225</b>

A provision for bad & doubtful debts was made in 2021/22 relating to four individuals (2020/21: six individuals.)

## 10. CREDITORS – DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other creditors	3,804	-

## 11. ANALYSIS OF NET ASSETS BY FUND

	<b>Unrestricted funds</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>
Fixed assets - investments	<b>2,493,027</b>	2,378,436
Fixed assets - loans due > 1 year	<b>89,032</b>	42,043
Current assets	<b>429,448</b>	347,142
<b>Total</b>	<b>3,011,507</b>	2,767,621

At 31 March 2021

	<b>Unrestricted funds</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>£</b>	<b>£</b>
Fixed assets - investments	2,378,436	1,659,314
Fixed assets - loans due > 1 year	42,043	71,852
Current assets	347,142	494,602
<b>Total</b>	<b>2,767,621</b>	2,225,768

## 12. MOVEMENT IN FUNDS

<b>At 31 March 2022</b>	Total as at 1 April 2021	Income	Expenditure	Gains & (losses)	<b>Total as at 31 March 2022</b>
	£	£	£	£	£
Unrestricted funds:					
General	2,767,621	135,313	(4,083)	112,656	3,011,507

  

<b>At 31 March 2021</b>	Total as at 1 April 2020	Income	Expenditure	Gains & (losses)	<b>Total as at 31 March 2021</b>
	£	£	£	£	£
Unrestricted funds:					
General	2,225,768	104,546	(31,610)	468,917	2,767,621

## Purpose of unrestricted funds

The general fund comprises the original donation to the charity and the accumulation of income surpluses as a result of unspent investment income. Any undistributed income is held for use in future years in accordance with the objectives of the charity.

## 13. RELATED PARTY TRANSACTIONS

Individuals act as Trustees of the charity by virtue of positions that they hold with the City of London (also referred to as ‘the City Corporation’ or ‘the City of London Corporation’), a body corporate and politic. These individuals act as Trustees during the tenure of these positions, as described on page 2.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of transactions during the year.

Related party	Connected party	2021/22 £	2020/21 £	Detail of transaction
Charities Pool	The Trustee of the Charity	129,791	98,088	Distribution from the Charities Pool

## 14. SUBSEQUENT EVENTS

On 24 May 2022 the Thomas Arneways Loan Charity merged with the Samuel Wilson’s Loan Charity.

## REFERENCE AND ADMINISTRATION DETAILS

**CHARITY NAME:** Samuel Wilson's Loan Charity

Registered charity number: 206964

FCA number: 718857

**PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:**

Guildhall, London, EC2P 2EJ

**TRUSTEES:**

Five Aldermen and the Chamberlain of London

**SENIOR MANAGEMENT:**

**Chief Executive**

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation (retired 31 December 2022)

**Treasurer**

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

**Solicitor**

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

**INDEPENDENT EXAMINERS:**

Crowe U.K LLP, 55 Ludgate Hill, London, EC4M 7JW

**BANKERS:**

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

**INVESTMENT FUND MANAGERS:**

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents:

[PA-ChamberlainSecretariat@cityoflondon.gov.uk](mailto:PA-ChamberlainSecretariat@cityoflondon.gov.uk)