



**London Chamber of
Commerce and Industry
Commercial Education
Trust**

**Annual Report and Financial
Statements**

30 September 2020

Charity Registration Number
801986

Company Registration Number
2419257



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Reference and administrative information

Trustees	G C Robin Booth FCA (Chairman, from 1 October 2020) David T Coughtrie Dip Arch RIBA FCILT (Chairman, retired 30 September 2020) Professor Christopher Atkin CEng FREng FRAeS MA (Cantab) PhD (retired 19 June 2020) Edward S Brunel-Cohen FCA Alun Evans BA FCA MBA Nicholas Martel Anne O'Hagan (appointed 28 September 2020) Darragh O'Sullivan BA (Hons) Law; Pg. Dip. Legal Practice, MBA Anne D Robins BSc Dip Ed HDLS David R Willetts BA FCA
Director and Secretary	Clare Brooks BA (Hons) MBA
Registered office	33 Queen Street London EC4R 1AP
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland plc 49 Bishopsgate London EC2N 3AS
Investment managers	Investec Wealth & Investment Management Ltd 30 Gresham Street London EC2V 7QN
Charity registration number	801986
Company registration number	2419257

Report of the Trustees 30 September 2020

The Trustees present their statutory report together with the audited financial statements of London Chamber of Commerce and Industry Commercial Education Trust (the "Trust") for the year ended 30 September 2020.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 and comply with 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 United Kingdom and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

The Trust's objects are to promote, advance and encourage commercial education for the benefit of the public. In keeping with these objects, the Trust has adopted a vision of a society in which people have the knowhow, skills and opportunity to succeed in work, thereby creating a thriving economy.

The principal objectives during the year were to:

- ◆ maintain a level of grant-making and investment in education research, in keeping with long-term investment returns;
- ◆ protect the long-term real value of the investment portfolio;
- ◆ develop the Trust's communication strategy and convening role with particular regard to highlighting the benefits of commercial education to its key stakeholders: educators, employers and policy-makers; and
- ◆ provide thought leadership on, and highlight the importance of, commercial education in the UK through research into the feasibility of a relevant competency framework.

The main activities of the Trust remain its grant-making and investment in education research. Other charitable activity relates to the dissemination of best practice and latest thinking on commercial education through the Trust's website, publications and lectures and debates. In order to enhance its grant-making capacity, the Trustees continued to prioritise the long-term growth of the Trust's capital whilst at the same time seeking to maximise income.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning its future grant-making and other charitable activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. In reviewing the performance of grantees, particular attention is paid to the impact of all projects funded by the Trust.

OBJECTIVES AND ACTIVITIES (continued)

Strategy

The Trustees, in determining the direction of the Trust's work, seek to:

- ◆ embed in education at every level the means by which people can apply their learning to work;
- ◆ equip people with the skills and commercial awareness to grow, develop and lead in business;
- ◆ encourage individuals to be enterprising and innovative in their approach to work; and
- ◆ make a positive contribution to the development of effective commercial education and training.

Grant-making policy

Grants are made on a fully discretionary basis and in accordance with the Trust's objects. Grant application details can be obtained from The Secretary, London Chamber of Commerce and Industry Commercial Education Trust, 33 Queen Street, London EC4R 1AP and are available on the Trust's website.

The Trust regards commercial education as embracing four main areas of grant activity:

1. **Skills Development:** education in the essential skills that are needed for employment as well as society: sometimes called 'transferable' skills or 'generic' skills;
2. **Employability:** education and research on careers and employment opportunities; encounters with employers and experience of work;
3. **Enterprise/Entrepreneurship:** development of commercial awareness; enterprise and the essentials of business for entrepreneurs, employees and the self-employed.
4. **International/Global Trade:** international business education for the next generation of world traders.

The Trust's grant-making activity may be classified under three headings:

- ◆ **Practical Projects:** supporting other charitable organisations in projects advancing the Trust's own objects.
- ◆ **Research:** supporting specific research projects in areas relevant to its objects.
- ◆ **Dissemination:** Initiating and supporting conferences, symposia, lectures and other relevant projects in line with its objects.

OBJECTIVES AND ACTIVITIES (continued)

Grant-making policy (continued)

The Trustees have adopted certain operating principles which they take into account when considering grant applications:

- ◆ all projects supported must be for the benefit of the public;
- ◆ wherever possible, partnerships will be sought with organisations with outreach capacity so as to benefit the community as a whole, rather than individuals;
- ◆ projects where the Trust is not to be the sole funder will be favoured as the Trustees believe that matched funding is a tangible sign of an applicant's commitment and the sustainability of a project; and
- ◆ long term relationships may be sought.

The Trust will not normally:

- ◆ support commercial organisations, charities not registered in the UK, or failing organisations or causes;
- ◆ fund major capital projects (e.g. the purchase or renovation of buildings or vehicles or training costs and professional fees relating to capital projects);
- ◆ fund general (i.e. non project-specific) organisation costs (e.g. running costs including salaries, expenses, administration, hire of space / premises, marketing and publicity, utility bills, etc.);
- ◆ make grants to individuals;
- ◆ support general or marketing appeals;
- ◆ fund projects which are conducted wholly overseas;
- ◆ support projects which reduce support from public funds;
- ◆ contribute to appeals from any organisation where the money will be used for religious purposes, or projects which promote a particular religion;
- ◆ grant more than £25,000 to a single project in any one year; or
- ◆ support a project for longer than three years.

ACHIEVEMENTS AND PERFORMANCE

Covid-19

The Trust was able to maintain a satisfactory level of service and activity during the year despite the Covid-19 pandemic and its impact on CET investments, which are the Trust's sole source of income. In terms of operations, Trustees, Advisers and staff were able to work remotely, making use of video conferencing facilities.

The Trust was able to meet in full its grant commitments for the financial year, although in the spring of 2020, in response to a marked reduction in income caused by the pandemic, the Trust decided to postpone the consideration of any new proposals until 2021. Whilst its key event (a Debate and a gathering of grantees) had to be postponed until 2021, the Trust embarked on a significant new piece of work, namely research into the feasibility of a competency framework for commercial education.

Grants Management

In March and April 2020 the impact of the pandemic on the charity sector started to become apparent. The Trust took steps to contact its grantees to find out how the pandemic had affected their activities and how they were adapting to new circumstances. It continued to work with them throughout the year, providing guidance and feedback to ensure that proposals and activities were relevant and achievable in light of challenging conditions. Trustees noted that grantees reliant on face-to-face education and fundraising events were particularly affected by the pandemic.

During the year, the Trust also continued to refine its grant-making and reporting guidance to grantees, and to ensure that data and records were stored in line with General Data Protection Regulation (GDPR). CET uses grant-making software to enable efficiencies in how it collects, manages and evaluates grant applications as well as in monitoring grantee progress.

A Framework for Commercial Education

In September 2019, CET Trustees took the decision to invest in research into the feasibility of a competency framework for commercial education which would set out the range of skills, knowledge and behaviours that learners – at different levels - should achieve. The ultimate goal is to help ensure commercial education is embedded into the UK education system, as well as into workplace and post-formal education training programmes.

Consultations with a number of CET stakeholders by staff on the research took place in late 2019. In the spring of 2020, the Trust issued a call for Expressions of Interest and later, a Request for Proposals. A contract was awarded to research consultancy Pye Tait in September 2020. The feasibility study is expected to be completed by summer 2021.

ACHIEVEMENTS AND PERFORMANCE (continued)

Grant-making

During the year grants totalled £98,113 (2019 - £141,150) as follows:

- ♦ Ark (Absolute Return for Kids): £24,038 for a third year of funding of an evaluation of their '*Professional Pathways*' programme which relates to vocational teaching and learning for students taking a Level 3 BTEC.
- ♦ Future First: £24,075 for their '*Commerce in the Classroom*' programme. This programme recruits local volunteers to work alongside Future First staff to deliver employer encounter workshops in schools and online, specific to commerce and trade.
- ♦ LAMDA (London Academy of Music and Dramatic Art): £25,000 for their '*Research and Development for Entrepreneurship Training*' project. The project aims to interrogate the enterprise and professional development tools LAMDA already provides to its students alongside enterprise models and resources in other institutions so that they may develop a programme of entrepreneurship training suitable specifically for LAMDA students and graduates.
- ♦ Young Enterprise: £25,000 for their '*Young Enterprise in Wales*' project, to support the organisation's delivery of enterprise and financial education over the 2019-20 academic year, through a range of programmes to equip them with skills and commercial awareness to grow, develop and lead in business.

Funding for Research

Funding of up to £100,000 was agreed in principle towards '*Research into the Feasibility of Improving Commercial Education in the UK through the Creation and Implementation of a Suitable Competency Framework*'. The research includes stakeholder interviews, surveys and focus group work. £10,380 was charged to this year's accounts representing work completed prior to the year end.

Convening and Events

The Trust was able to host a research symposium jointly with the Edge Foundation on 20 February 2020 on '*Lessons Learned from University Technical Colleges, Studio Schools and Career Colleges*' at the Caledonian Club in London. This was the result of a collaboration between CET and the Edge Foundation which started in 2018, when both organisations agreed to fund an evaluation of Career Colleges. The symposium was an opportunity to disseminate the results of this research, which had been undertaken by the Institute of Education, University College London (UCL). Over 45 people including representatives of education charities and researchers attended the symposium.

The Trust decided to postpone its Debate (formerly known as its 'Lecture') from the summer of 2020 until 2021, due to Covid-19. A grantee gathering scheduled to take place at the same time was also postponed for the same reason.

ACHIEVEMENTS AND PERFORMANCE (continued)

Publications and communications

The Trust published '*Lessons from Employer Led Learning*' in February 2020, which is a summary by writer Anat Arkin of research on Career Colleges undertaken by Dr. Lynne Rogers, Dr. Hilary McQueen and Prof. Ken Spours.

Work was also undertaken (for publication in 2020-21) on '*Pathways to Success*', a new report also by Anat Arkin, based on interviews and personal testimonials of commercial education experiences by CET grantees.

Governance: articles, policies and risk

During 2019- 2020 two Trustees completed their term limit. CET is extremely grateful to Prof. Chris Atkin (who stepped back on 19 June 2020) and to its Chairman David Coughtrie (who did so on 30 September 2020) for the exceptional leadership and expertise they provided during their tenures.

Anne O'Hagan (formerly Adviser to the Grants and Development Committee) was appointed a Trustee of CET on 28 September 2020. Robin Booth (formerly Chairman of the Finance and Administration Committee) took up the position of CET Chairman on 1 October 2020.

During the year, the Trust introduced a new policy on Equal Opportunity and a number of existing policies were updated including its Donation Acceptance and Refusal policy. As part of a regular review of its governing document, a number of amendments relating to the Trust's Articles of Association were also reviewed and further action to update the Articles was decided for 2020-21.

The Trust also used Charity Commission guidance (CC26) to undertake its annual review of risk at the Trust. This review process led to a strengthening of CET's cyber security arrangements.

FINANCIAL REVIEW

A summary of the year's results can be found on page 17 of this report and financial statements.

Total income for the year ended 30 September 2020 amounted to £157,052 (2019 - £194,197). This principally derived from the income received from the Trust's listed investments – see investment policy and performance below for further commentary.

Total expenditure for the year ended 30 September 2020 amounted to £228,202 (2019 - £277,293). Expenditure on raising funds, principally the cost of managing the Trust's listed investments, totalled £41,517 (2019 - £44,723). The remainder of the expenditure of £186,685 (2019 - £232,570) was incurred on the Trust's charitable activities including associated support costs. These are reported in greater detail below.

FINANCIAL REVIEW (continued)

Net movement in funds for the year ended 30 September 2020 amounted to £440,451 (adverse) (2019 – £91,395 favourable). This was after charging net realised and unrealised losses on the Trust's investment portfolio of £369,301 (2019 net gains – £174,491).

Summary of charitable activity

Expenditure on the Trust's charitable activity, including support and governance costs was £186,685 (2019 - £232,570) and comprised:

- ♦ Grants, net of returned grants not taken up: £98,113 (2019 - £135,311);
- ♦ Research costs: £10,380 (2019 credit - £1,914);
- ♦ Publication costs: £4,495 (2019 - £2,296);
- ♦ Lecture costs: £0 (2019 - £10,918);
- ♦ Convening and event costs: £19 (2019 - £1,461); and
- ♦ Support and governance costs: £73,678 (2019 - £84,498).

Of the £73,678 support and governance costs, £31,337 relates directly to grant-making activity (2019 - £31,175). These support costs comprise a proportion of office and administration costs that relate to grant-making and other charitable activity.

Governance costs comprise the expenditure associated with the strategic as opposed to the day-to-day management of the Trust's activities.

Investment policy and performance

Investec Wealth and Investment Ltd ("Investec") managed the Trust's investment portfolio in accordance with the investment policy agreed by the Trustees.

The investment policy sets out the key elements of how the Trust's portfolio of investments and cash will be managed in order to achieve its mission of promoting commercial education. It achieves this by setting out investment objectives, tolerances for the acceptance of risk and how the funds may be invested. The aim of the investment policy is to maintain an appropriate balance between risk and return at all times.

The policy is reviewed annually by the Trustees and adjusted, where necessary, to ensure that it remains appropriate to the Trust's objectives, market conditions and risk considerations. The portfolio's overall asset allocation is governed by the Trust's short-term need for liquidity for operating purposes and its longer-term goals. A total return approach has been adopted by the Trust since 2015.

Any funds raised externally that are project-specific fall outside the purview of the policy.

FINANCIAL REVIEW (continued)

Investment policy and performance (continued)

As the objective of the Trust is to promote commercial education, its investment objectives are essentially longer term. The primary objectives of the investment policy in place during the financial year were to ensure that the assets in the portfolio maintained in real terms both the desired level of income and value of capital required to fund the Trust's annual anticipated grant-making and meet the administrative costs of the Trust's operations.

The total value of the Trust's portfolio as at 30 September 2020 was £6,634,150 (2019 - £7,160,941). The net investment loss for the year was £369,301 (2019 investment gains - £174,491) and withdrawals (including investment income) for the year totalled £277,185 (2019 - £289,876).

Investec worked to an investment objective, which was to generate a minimum total return in excess of inflation (UK CPI) plus 3% per year, net of investment management fees, over rolling three-year periods.

During the year, the total return on the Trust's investment portfolio was -3.5% and the level of withdrawals was reduced to be more in line with expected future investment returns. Bearing in mind the market disruption caused by the Covid-19 pandemic, the overall performance of the portfolio is considered to be consistent with the long-term aims of the policy.

Reserves policy and financial position

The level of reserves is reviewed by the Trustees on a regular basis. The factors taken into account are the existing financial commitments and activities of the Trust.

Subject to maintaining a certain level of grant-making, the Trust's policy is to increase reserves so as to be able to generate additional income for grant-making in future years.

The level of reserves at 30 September 2020 was £6,763,997 (2019 - £7,204,448). This is considered to be sufficient for the continuing activities of the Trust. This is in line with the Trust's objective of maintaining the value of its investment assets for future generations whilst at the same time ensuring a reasonable level of charitable activity (primarily grant funding). The Trust has no restricted funds.

As with many other organisations impacted by Covid-19, the target of generating a minimum total return in excess of inflation (UK CPI) plus 3% per year over rolling three-year periods, net of investment management fees, was not possible to achieve.

The Trust recognises that the coronavirus pandemic has adversely affected its portfolio of investments and that the level of its reserves has fallen. It is the opinion of the Trustees that this level of reserves allows the Trust to remain a going concern but that in future the level of its charitable activities, for example its grant-making, may reduce.

FINANCIAL REVIEW (continued)

Fundraising

The Trust does not currently actively engage in fundraising activities (by way of appeals, collections, or otherwise seeking donations) although this will change in 2021. The Trustees are therefore mindful of regulations or best practice guidance notes in this area as covered by the Charities (Protection and Social Investment) Act 2016. Trustees will consider this regulation and guidance (particularly, the Code of Fundraising Practice) throughout the coming year.

FUTURE PLANS

The Trustees have considered the effects of the coronavirus (Covid-19) pandemic on the charity's operations and have concluded that the impact on them is likely to be manageable in the short-term.

Following the advice issued by the UK Government in November 2020 and January 2021 regarding employees working from home and other social distancing measures, the Trustees and staff have enacted procedures to facilitate this and have a detailed plan that enables effective operations to continue whilst employees are not physically present in the Trust's offices.

The Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. The reduced opportunities for scheduled face to face interaction may not impact on the Trust's ability to plan effectively for the medium term but it is anticipated at the current time that the overall financial position of the charity will be adversely affected even if its financial solvency is not threatened.

A new plan for the Trust was approved in September 2020. It anticipates a regular, albeit reduced level of grant-making (compared to previous years) to leading commercial education charities with whom it has built strong partnerships.

The plan also builds on groundwork laid for research into the feasibility of improving commercial education in the UK through the creation and implementation of a suitable competency framework. The Trust is currently working with research consultancy Pye Tait to reach and engage a broad range of stakeholders – from education, employment, the policy field and from parents – to investigate ways in which young people can obtain the skills and knowledge to create successful business opportunities for themselves and for others in the future. Through this research, and over time, the Trust will gain insight and understanding as to where the opportunities lie to provide all young people with the skills and knowledge they need to lead prosperous and rewarding lives, and how best it can collaborate with others for maximum impact.

Whilst the CET Debate in 2019-20 had to be postponed due to Covid-19, there are hopes for it to be held in the autumn of 2021. The event is an opportunity for CET to advocate effective provision for commercial education for pupils, students, the newly employed and the self-employed in the UK. A gathering of grantees is scheduled to take place around the same time, which CET considers vital to building a community of commercial education best practice.

FUTURE PLANS (continued)

In terms of other new activities, in 2021 the Trust envisages that it will be able to accept donations for the first time in recent years.

Work will also be undertaken to complete the review started in 2020 on the Trust's Articles of Association, including a recommendation to increase in the number of Trustees and work to simplify the process of calculating Trustee term limits.

PRINCIPAL RISKS AND UNCERTAINTIES

A review of the Trust's risk profile was undertaken during the financial year. The Trustees have identified the following key risks:

- ◆ exposure to a pandemic: for visitors to CET, its Trustees, Advisers and staff;
- ◆ loss of key staff;
- ◆ dependency on a sole income source: investment volatility and inadequate returns on investments;
- ◆ lack of understanding of the value of commercial education on the part of the general public;
- ◆ changes in Government policy towards charities or education; and
- ◆ insufficient funds to maintain levels of grant-making and cover running costs.

To mitigate these risks the Trust:

- ◆ during the pandemic, reduces or eliminates all face-to-face meetings and adopts good hygiene practices: adopts practices that enable working online and video conferencing;
- ◆ reviews rates of pay, working conditions and job satisfaction;
- ◆ regularly reviews the performance of its investment policy, investments and investment managers, at Committee and Trustee Board level;
- ◆ provides clear, publicly available information and guidance on commercial education via its website and publications;
- ◆ receives regular information updates from its advisers on changes to legislation/regulation: key issues are brought to the Trustees' attention; and
- ◆ sets an investment policy to produce an adequate total return and maintains tight control of costs and accurate accounting of charitable activity.

The Trustees also maintain, and keep under review, a conflicts of interest policy.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

London Chamber of Commerce and Industry Commercial Education Trust is a company limited by guarantee having been incorporated under the Companies Act on 1 September 1989 and a charity registered with the Charity Commission in England and Wales. The Trust does not have a share capital, but its members, in the event of a winding up, have guaranteed to contribute to the assets of the company a sum not exceeding £10 each.

Governance

The governing instruments of the Trust are the Memorandum and Articles of Association.

The charity Trustees are the Directors of the company for the purposes of company law. The governing body of the charity is the Board of Directors, which consists of up to nine Trustees, who are also members of the Trust.

The Trustees may hold office for an initial period of up to six years, subject to retirement by rotation, and may then serve up to three further terms of one year. As CET had faced disruption in 2020 due to the Covid-19 pandemic and would only complete a strategic review of the organisation in mid-2021, on 4 December 2020 Trustees agreed to recommend to its members an extension of Trustee term limits by 12 months, but only in respect of trustees due to complete their maximum nine years terms on or before 31 December 2021. Trustees who served during the period of report and up to the date of approval of this report are listed on page 1.

The membership of the Board consists of people who have a wide range of experience and qualifications pertinent to the objectives of the charity, some Trustees being from a business background whilst others are from an academic background. The Trustees are nominated by The London Chamber of Commerce and Industry ("the Chamber"), a separately constituted entity and a member of the Trust, either on its own initiative or on the recommendation of the Trustees. The Chamber may not remove the Trustees.

The Trust welcomes expressions of interest to join the Trustee Board. Trustee appointments are made by the Board and Trustees are selected for nomination following an assessment of their skills and experience. The objective is to have a Board which is balanced, and which is capable of formulating the policies and ensuring the execution of the strategy of the Trust in an effective manner so as to maintain and, if possible, increase its charitable activity over time.

Prospective Trustees meet the Chairman and Director as part of the recruitment and appointment process and, upon appointment, undertake an induction process. New Trustees are briefed on the activities of the Trust and its grant-giving, investment and other policies and are provided with the Articles of Association, the most recent management accounts, investment reports and the latest audited financial statements. New Trustees may also have served as Advisers to the Trust before their appointment. On-going training opportunities for Trustees are provided as required.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Management

Trustees' meetings are held as often as is necessary to run the Trust properly. Normally at least four full meetings are held each year. The business of these meetings is to set, maintain and monitor objectives; determine, develop and maintain strategy; consider and approve grant applications; and to consider business items relating to the Trust as the Trustees see fit.

There are two committees of the Trustees. The principal role of the Grants and Development Committee is to develop the Trust's business (charitable activity) reporting to and making recommendations to the full Trustee Board, which approves all grants.

The Finance and Administration Committee is responsible for the Trust's financial and administrative affairs, reporting to and making recommendations to the full Trustee Board.

In addition to the two permanent committees, in 2020 a time-limited Steering Group was formed to participate in and oversee and contribute towards the research work of consultancy Pye Tait on a competency framework for commercial education. This research is expected to be completed in the summer of 2021.

Day-to-day management of the Trust is delegated to the Director who works part-time for the Trust and has a direct line of communication with the charity's Trustees.

Key management and personnel

The Trustees consider that they together with the Director comprise the key management of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

None of the Trustees are remunerated for their services to the Trust. The remuneration of the Director is determined with reference to an annual appraisal undertaken by the Chairman of the Board and the Chairman of the Finance and Administration Committee in consultation with the full Board of Trustees.

Advisers to the Trust

Advisers to the Trust participate in CET events and activities and regularly provide expertise on committees.

- ◆ In August 2020, Adviser Nicolina Andall stepped down as a CET Adviser and member of the Grants and Development Committee: the Trust is grateful for her contribution to the organisation.
- ◆ Verity Clarke was recruited as an Adviser and became a member of the Finance and Administration Committee in September 2020.
- ◆ Adviser David Khanna became a member of the Grants and Development Committee in November 2020.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charitable 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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

Signed by order of the Board of Trustees



Clare Brooks

Date: 30 March 2021

Independent auditor's report 30 September 2020

Independent auditor's report to the members of London Chamber of Commerce and Industry Commercial Education Trust

Opinion

We have audited the financial statements of London Chamber of Commerce and Industry Commercial Education Trust (the 'charitable company') for the year ended 30 September 2020 which comprise the statement of financial activities, the balance sheet 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 30 September 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 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

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Trustees are responsible for the other information. The other information comprises the information included in the annual report 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 determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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

The 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.



31.3.2021

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account)

Year to 30 September 2020

	Notes	Unrestricted funds	
		2020 £	2019 £
Income from:			
Investments		156,724	193,860
Bank interest receivable		328	337
Total income		157,052	194,197
Expenditure on:			
Raising funds		41,517	44,723
Charitable activities			
. Advancement of commercial education	1	186,685	232,570
Total expenditure		228,202	277,293
Net expenditure before investment losses		(71,150)	(83,096)
Net realised and unrealised (losses)/gains on investments	8	(369,301)	174,491
Net (expenditure) / income and net movement in funds		(440,451)	91,395
Reconciliation of funds			
Balances brought forward at 1 October 2019		7,204,448	7,113,053
Balances carried forward at 30 September 2020		6,763,997	7,204,448

All recognised gains and losses are included in the above statement of financial activities.

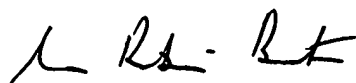
All of the Trust's activities derived from continuing operations during the above two periods of report.

Balance sheet 30 September 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	5		6,634,150		7,160,941
Current assets					
Debtors	6	4,048		4,294	
Cash at bank and in hand		221,201		110,922	
		<u>225,249</u>		<u>115,216</u>	
Liabilities					
Creditors: amounts falling due within one year	7	(95,402)		(71,709)	
Net current assets			129,847		43,507
Total net assets			<u>6,763,997</u>		<u>7,204,448</u>
The funds of the Trust:					
Unrestricted funds	8		<u>6,763,997</u>		<u>7,204,448</u>

The principal accounting policies and notes on pages 21 to 28 form part of these financial statements.

Approved and authorised for issue by the Board of Trustees on and signed on its behalf by:



Robin Booth

Chairman

Date: 30 March 2021

Company Registration No: 2419257



Edward Brunel-Cohen

Trustee

Principal accounting policies 30 September 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 30 September 2020 with comparative information provided for the year to 30 September 2019.

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 accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. 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.

Critical accounting estimates and areas of judgement

No significant accounting estimates were required or made by the Trustees in the preparation of the financial statements. With regards to significant judgements, as disclosed in notes 9 and 10 to the financial statements, the Trustees consider that The London Chamber of Commerce and Industry (the "Chamber") is the charity's ultimate parent undertaking, but the Chamber is not able to exercise control by virtue of the fact that the Chamber, whilst able to nominate Trustees to the Trust's board, is unable to remove any Trustees from their post once appointed.

As set out in these accounting policies under "going concern", the Trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it remains appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. In making this assessment the trustees have considered the impact of Covid-19.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income in the main comprises the income earned on the charity's listed investments and interest on cash deposits. Investment income is recognised on an accruals basis in line with the charity's entitlement to the income.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and stated inclusive of irrecoverable VAT.

Expenditure comprises the following:

- a. The cost of raising funds including the fees payable to investment managers in connection with the management of the charity's listed investments.
- b. The cost of charitable activities which are the costs incurred in achieving the charity's primary charitable purposes of advancing commercial education, principally through grant-making, support of research projects, publications, convening and communication activities. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued except where the beneficiary has not been informed or has to meet certain conditions before the grant is released, in which case they are noted as financial commitments in the notes to the accounts.

The cost of charitable activities also includes indirect support costs and governance costs. Indirect charitable expenditure comprises costs necessary to carry out the primary purpose of the charity including staff costs, computer support, telephone and insurance costs. Such costs include amounts expended on central office functions, general management and administration. Governance costs include the costs of governance arrangements relating to the general running of the Trust. These activities provide the governance infrastructure which allows the Trust to operate and to generate the information required for public accountability.

Fund accounting

Unrestricted funds represent general funds available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Gains (or losses) arising due to changes in the rates of foreign exchange between the date of entering the foreign exchange transaction and either the settlement date or balance sheet date (whichever is earlier) are credited (or debited) to the statement of financial activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Operating leases

Payments in respect of operating leases are charged to the SoFA on a straight-line basis over the term of the lease.

Principal accounting policies 30 September 2020

Statement of cash flows

The financial statements do not include a statement of cash flows because the charity is considered a small charity and is therefore exempt from the requirement to prepare such a statement under the Charities SORP FRS 102 Update Bulletin 1.

1 Advancement of commercial education

During the year the following grants were made. Further details pertaining to the purpose of each grant are discussed within the Trustees' report.

	2020 £	2019 £
Grants:		
Action Through Enterprise	—	14,910
Ark (Absolute Return for Kids)	24,038	19,420
Enabling Enterprise	—	25,000
Future First	24,075	29,510
LAMDA	25,000	—
Peter Jones Foundation	—	25,000
Royal Academy of Engineering	—	(5,839)
Teambuild Association	—	500
The Prince's Trust	—	26,810
Young Enterprise	25,000	—
	98,113	135,311
Research projects:		
Prue Huddleston	—	(1,914)
Pye Tait Consulting	10,380	—
	10,380	(1,914)
Grants and Research	108,493	133,397
Publications		
Publication <i>Breaking Barriers</i>	2,515	—
Publication <i>Lessons from Employer Led Learning</i>	1,980	—
Publication <i>Future-Proofing the next generation</i>	—	2,296
Convening and Events		
CET Lecture	—	10,918
Research Symposium	19	1,461
Support and governance costs (note 2)	73,678	84,498
	186,685	232,570

	2020 £	2020 £	2019 £	2019 £
Grants and research outstanding as at 1 October		44,223		112,252
Grants and research offered during the year	98,113		141,150	
Grants subsequently not taken up	—		(7,753)	
		98,113		133,397
		142,336		245,649
Grants and research paid in the year		(91,258)		(201,426)
Grants and research outstanding as at 30 September		51,078		44,223

2 Support and governance costs

	2020 £	2019 £
Support costs	31,337	31,175
Auditor's remuneration	10,738	7,565
Legal and professional fees	16,189	13,466
Trustees' expenses	374	419
Other costs	15,040	31,873
	73,678	84,498

3 Staff costs and the remuneration of key management personnel

Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	44,229	43,960
Social security costs	871	590
Pension costs	1,327	2,639
	46,427	47,189

The average number of employees for the year ended 30 September 2020 was two (2019 – two).

Key management personnel

The remuneration of key management personnel for the year ended 30 September 2020 was £42,069 (2019 - £40,407).

None of the Trustees received any remuneration during the year (2019 - £nil). Two of the Trustees received expenses amounting to £475 (2019 - £419 to four Trustees). These amounts included meetings and travel expenses incurred by the Trustees on behalf of the Trust.

In addition, the charity purchased Directors and Officers indemnity cover to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on charity business. The insurance cost was £1,726 (2019 - £2,058).

4 Net expenditure and net movement in funds

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration		
Statutory audit services	10,738	7,565
	10,738	7,565

Notes to the accounts 30 September 2020

5 Fixed assets investments

	2020 £	2019 £
Market value of listed investments portfolio at 1 October	6,869,457	6,646,137
Additions at cost	873,563	1,145,317
Disposals at book value (proceeds £926,639, realised losses £87,387)	(1,014,026)	(1,094,026)
Unrealised (losses)/gains	(281,914)	172,029
Market value of listed investments portfolio at 30 September	6,447,080	6,869,457
Cash held by investment managers for reinvestment	147,070	171,484
Cash instruments	40,000	120,000
	6,634,150	7,160,941
Analysed as follows:		
Equities	4,200,341	4,546,930
Fixed interest	1,300,690	1,551,983
Property	410,691	407,060
Alternatives	535,358	363,484
Cash and cash equivalents	187,070	291,484
	6,634,150	7,160,941
Historical cost	6,437,958	6,687,415
Investments that represented over 5% of the total portfolio were as follows:		
iShares FTSE 100 ETF	627,513	913,625
United Kingdom Gilt 2.25% 2023	683,738	722,597
Vanguard Funds Plc S&P 500 Ucits ETF	693,438	643,160
United Kingdom Gilt 1.75% 2022	413,500	500,900

6 Debtors

	2020 £	2019 £
Accrued investment income	2,394	3,062
Prepayments	1,654	1,232
	4,048	4,294

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Grants payable (note 1)	51,078	44,223
Accruals	44,324	27,486
	95,402	71,709

8 Analysis of total funds

	Balance at 1 October 2019 £	Income £	Expenditure £	Net losses £	Balance at 30 September 2020 £
General funds					
Realised	6,733,740	157,052	(228,202)	(87,387)	6,575,203
Unrealised	470,708	—	—	(281,914)	188,794
Total funds	7,204,448	157,052	(228,202)	(369,301)	6,763,997

9 Related party transactions

The London Chamber of Commerce and Industry ('the Chamber') is a member of the Trust. The Trust's Memorandum and Articles of Association allow the Chamber to nominate, but not remove, the Trustees and provide that they shall be the directors of the Trust. Under trust and charity law the Directors are required to act in the best interests of the Trust. The Chamber is the ultimate parent undertaking although in the opinion of the Trustees it is not able to exercise control.

Under a service agreement with the Trust, which is reviewed regularly, the Chamber charged the Trust £11,327 (£11,897 including the Trust's membership subscription) (2019 - £13,251 (£13,807 including the Trust's membership subscription)) during the year for the provision of its services relating to accounting and administration, rent, room hire and registered office (2019 - £13,251).

10 Ultimate controlling party

In the Trustees' opinion there is no ultimate controlling party of the Company other than the Trustees.