

THE DRAPERS' CHARITIES POOLING SCHEME

England & Wales · Charity number 1061675

Details

Status Registered

Legal form Other

Registered 1997-04-04

Register [View on the Charity Commission register](#)

Contact

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Throgmorton Avenue
London
EC2N 2DQ

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Website www.thedrapers.co.uk

Activities

Objects: TO PROVIDE A COMMON INVESTMENT FUND WITHIN THE MEANING OF SECTION 24 OF THE CHARITIES ACT 1993

Activities: To provide a pooled investment fund for the efficient and effective investment of the various charities of which the Drapers' Company is Trustee.

Classification

- **How:** Provides Other Finance
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	-	-	-	-
2024-07-31	-	-	-	-
2023-07-31	£5,769,290	£4,277,377	£115,762,267	4
2022-07-31	£4,522,019	£4,152,103	£118,287,269	4
2021-07-31	£4,433,971	£4,141,104	£119,198,085	4
2020-07-31	£5,462,676	£4,104,741	£107,805,119	4
2019-07-31	£9,917,836	£4,084,058	£108,981,692	4

Trustees

Name	Role	Appointed
THE DRAPERS' COMPANY		

THE DRAPERS' CHARITIES POOLING SCHEME

England & Wales - Charity number 1061675

Accounts

Charity No. 1061675

**THE DRAPERS' CHARITIES POOLING SCHEME
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

THE DRAPERS' CHARITIES POOLING SCHEME

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Members of The Drapers' Company Court of Assistants and Standing Committees

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Charities Administered by The Drapers' Company

THE DRAPERS' CHARITIES POOLING SCHEME

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

The Trustee presents its Report together with the Financial Statements of The Drapers' Charities Pooling Scheme ("the Charity") for the year ended 31 July 2020. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 to the Financial Statements and comply with the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the documents governing the constitution of the Charity.

Reference and administrative information

The legal and administrative details set out in Appendices A to C form part of this report.

Structure, governance and management

Origin

The Charity is governed by a Charity Commission Scheme dated 30 July 2010. The Pooling Scheme was established, at the request of The Drapers' Company, as a vehicle for the more effective investment of the many charities of which the Company is Trustee. The Pooling Scheme commenced operations on 25 March 1997 and is available only to charities of which The Drapers' Company is the sole Trustee.

Governance and management

The Charity uses The Drapers' Company for the provision of administration services, which are provided on a shared basis with other charities under common trusteeship of the Company.

The Drapers' Company is the Charity's Trustee and acts through its Court of Assistants ("the Court"), which meets at least nine times a year, agrees overall strategy and takes all policy decisions. These policies are developed and refined by three Standing Committees which oversee grant allocation, finance and investments respectively, and once decisions have been taken and ratified they are implemented by the Company's Officers.

The operation of the Committees, which have clearly defined terms of reference, is reviewed annually by the Court for effectiveness against the overall aims and objectives of the Company and its Charities.

Committee membership is drawn from the Court of Assistants and members of the Company. Committee members normally serve a three-year term of office.

Each year the Court elects at least one new member from the Company membership who is given specific training on trustee duties and obligations by the Company's Officers and external providers before taking up their position. In addition, all members of the Court receive regular and ongoing trustee training in relevant areas.

Key management personnel remuneration

The Trustee considers the members of the Court as trustee, together with the members of the Investments Committee, which has limited and clearly defined terms of reference, comprise the key management personnel of the Charity in charge of directing and controlling the Charity and overseeing the running and operating of the Charity on a day-to-day basis. The Members of the Court, in their capacity as Trustee, give their time freely and no trustee remuneration was paid in the year.

Court Members are required to disclose all relevant interests and register them with the Director of Philanthropy and Governance and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises. Neither the Charity nor any of the members of the Court, as Trustee, have interests with beneficiary charities, but any such interests would be disclosed.

THE DRAPERS' CHARITIES POOLING SCHEME

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

Risk management

The principal risks faced by the charity concern the performance of its investments and how these are impacted by the future levels of interest rates, the outlook for the economy, and the value of the stock and property markets.

The Trustee mitigates the investment risk through the regular review of investment strategy and portfolio performance by the Investment Committee and professional advisors.

Fundraising

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities. The Charity is a charitable trust supported by The Drapers' Company. It does not carry out any fundraising activity in order to raise funds from the general public. The Charity does not work directly with commercial sponsors or engage professional fundraisers. The Trustees are not aware of any complaints made in respect of fundraising during the year.

Statement of trustee responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

In preparing these financial statements the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the opinion of the Trustee, the Charity is adequately resourced to continue to fulfil its charitable objects. The financial statements have been prepared on a going concern basis.

Objectives and activities for the public benefit

The objective of the Trustee is to provide a pooled investment fund which meets, as nearly as possible, the requirements of the various charities eligible to participate in the Scheme. Pooling the investment assets of charities under common management and administration provides the benefits of improved diversification and risk-sharing, together with administrative efficiency. The Trustee has complied with

THE DRAPERS' CHARITIES POOLING SCHEME

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

Objectives and activities for the public benefit (continued)

the Charities Act 2011, having due regard for the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and carrying out its activities.

The overall investment objective of The Drapers' Charities Pooling Scheme, which invests in property and securities, is to combine income and capital growth in a conservative manner.

The investment policy for the securities is designed to achieve long-term capital and income growth. Performance is measured against a range of indices. Asset allocation is advised by Cambridge Associates Ltd subject to overall policy guidelines laid down by the Investments Committee and ratified by the Court.

Securities (i.e. stocks and shares) are held on behalf of the Charity by the custodian, RBC Dexia Investor Services.

The overall policy for investment property is to manage the portfolio of properties contributed to it to the best advantage.

Day-to-day management and supervision of the property portfolio is handled by Epic Property Asset Management, who also provide advice and recommendations on all property transactions, rent reviews, lease renewals and related matters for consideration by the Investments Committee and, where appropriate, the Court.

The property assets of the Charity are held by The Drapers' Company, in its own name, as Trustee of the Charity.

The Charity operates as if it were an endowed charity, notwithstanding the fact that some of the individual charities participating in the Pooling Scheme may themselves have power to expend capital.

Achievements and performance

During the year the Scheme successfully carried out its brief and provided a steady stream of income to the charities invested in them whilst sharing the overall risk. As the Scheme is primarily a financial vehicle, detailed achievements can be found in the financial review below.

Financial review

The majority of the Charity's assets are invested in securities (i.e. stocks and shares) or real estate. The investments are held in accordance with the wide powers vested in the Trustee under the Scheme. In accordance with the Charities SORP, all investments are shown in the balance sheet at market value.

Capital and property investment markets remain volatile, due to the uncertainty caused by the ongoing Covid-19 pandemic. The valuations used for the property assets are provided by third party experts, but due to their reliance on retrospective data and the fast moving nature of the situation, there is a degree of uncertainty on whether those valuations fully reflect the current market sentiment.

The current Covid-19 pandemic has had a minor negative impact on the portfolio, with some concessions having to be made to tenants for rents receivable. The Investments Committee continues to monitor development closely

Additions to the Scheme's capital funds during the year were £251,201 (2018/19: £5,115,123) and withdrawals were nil (2018/19: nil). Total funds under management in the Scheme decreased slightly from £108,981,692 to £107,805,119. The Scheme's unrestricted income for the year was £5,211,475 (2018/19: £4,802,713) and distributions to participating charities was £3,254,986 (2018/19: £3,263,740).

On 18 March 2016, The Drapers' Company in its capacity as the corporate trustee of the Drapers' Charities Pooling Scheme, secured a loan of £15,000,000 for a term of 35 years repayable on 18 March 2051. Interest is

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REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

payable on the loan at a rate of 3.88% per annum. The loan is secured by a floating charge over the investment assets of the Drapers' Charities Pooling Scheme. This debt finance was fully utilised in the purchase of investment properties.

Undistributed reserves at 31 July 2020 were £3,867,241 (2018/19: £2,760,507).

Net realised and unrealised investment losses in the year were £2,534,508 (2018/19: £298,634).

Financial Review (continued)

At 31 July 2020 there were six charities participating in the Scheme with a total of 20 separate fund accounts, as detailed in Note 8.

Value Added Tax (VAT)

Eight of the investment properties held have been "elected" for VAT purposes and therefore the Charity is registered for VAT. The Charity charges VAT on the rent for these properties and is able to reclaim VAT on expenditure specifically related to them together with that on a small proportion of the expenditure on the property portfolio as a whole.

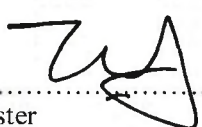
Reserves

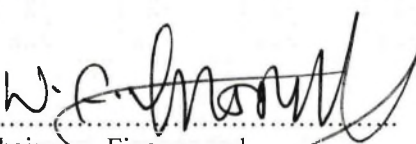
The Trustee has power, under the Scheme, to set aside reserves of income in order to regulate the income distributions and avoid fluctuations therein and for other purposes. The reserves policy is to hold reserves to the equivalent to the previous years' net income in the medium term in 2018/19 this was £5,535,144. As at 31 July 2020, the Trustee held reserves amounting to £3,867,241 (2018/19: £2,760,507), which was below this level. The Trustee reviews the reserves policy on an annual basis. No change to the reserve policy has been required as a result of the Covid-19 pandemic.

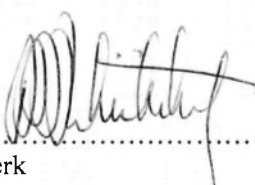
Plans for future periods

The Trustee will continue to keep the investment policy under review in order to achieve the investment objective of combining income and capital growth in a conservative manner.

Signed for and on behalf of The Drapers' Company as Trustee


.....
Master


.....
Chairman, Finance and
General Purposes Committee


.....
Clerk

11 December 2020

THE DRAPERS' CHARITIES POOLING SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

Opinion

We have audited the financial statements of The Drapers' Charities Pooling Scheme for the year ended 31 July 2020 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 charity's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the 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.

THE DRAPERS' CHARITIES POOLING SCHEME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE FOR THE YEAR ENDED 31 JULY 2020

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Report of the Trustee is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 2, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

This report is made solely to the charity's trustee in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE DRAPERS' CHARITIES POOLING SCHEME

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE
FOR THE YEAR ENDED 31 JULY 2020**

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

Date:

71 Queen Victoria Street
London EC4V 4BE

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

7 January 2021

THE DRAPERS' CHARITIES POOLING SCHEME

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2020

	Note	Unrestricted Pool Income £	Restricted Pool Capital £	2019/20 Total £	2018/19 Total £
Income and endowments from:					
Capital funds introduced by shareholders		-	251,201	251,201	5,115,123
Investment income	2	5,211,475	-	5,211,475	4,802,713
Total		5,211,475	251,201	5,462,676	9,917,836
Expenditure on:					
Raising funds:					
Investment management costs	3	258,593	-	258,593	277,626
Interest payable	4	582,000	-	582,000	582,000
Charitable activities	5	3,264,148	-	3,264,148	3,274,432
Total		4,104,741	-	4,104,741	4,084,058
Net investment losses	6	-	(2,534,508)	(2,534,508)	(298,634)
Net income		1,106,734	(2,283,307)	(1,176,573)	5,535,144
Balances at 1 August		2,760,507	106,221,185	108,981,692	103,446,548
Balances at 31 July		3,867,241	103,937,878	107,805,119	108,981,692

All of the above results derive from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

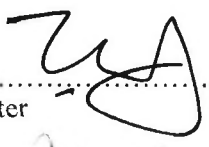
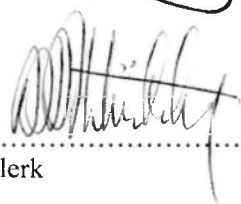
THE DRAPERS' CHARITIES POOLING SCHEME

BALANCE SHEET AS AT 31 JULY 2020

	Notes	31.07.20 £	£	31.07.19 £	£
Fixed assets					
Investments	6	113,845,791		116,691,677	
Investment cash	6	3,408,741		2,358,369	
			117,254,532		119,050,046
Current assets					
Debtors	9	339,024		306,095	
Cash at bank		6,107,554		5,650,387	
		6,446,578		5,956,482	
Liabilities					
Creditors: Amounts falling due within one year	10	(895,991)		(1,024,836)	
Net current assets			5,550,587		4,931,646
Creditors: Amounts falling due after more than one year	11		(15,000,000)		(15,000,000)
Total net assets			107,805,119		108,981,92
Funds					
Restricted pool capital	7	103,937,878		106,221,185	
Unrestricted pool income	7	3,867,241		2,760,507	
			107,805,119		108,981,692

Approved by the Trustee on 11 December 2020.

Signed for and on behalf of The Drapers' Company as Trustee.


 Master

 Clerk


 Chairman, Finance and
 General Purposes Committee

The notes on pages 11 to 18 form part of these financial statements.

THE DRAPERS' CHARITIES POOLING SCHEME

STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 JULY 2020

		2020 £	2019 £
Cash flow from operating activities:			
<i>Net cash used in by operating activities</i>	CF1	(4,266,515)	(4,146,837)
Cash flow from investing activities:			
Dividends, interest and rent from investments		5,211,475	4,802,713
Capital investment		251,201	5,115,123
Purchase of investments		(3,029,906)	(585,615)
Disposal proceeds		3,341,284	-
Net cash from investing activities		5,774,054	9,332,221
Changes in cash and cash equivalents in the year		1,507,539	5,185,384
Cash and cash equivalents at 1 August	CF2	8,008,756	2,823,372
Cash and cash equivalents at 31 July	CF2	9,516,295	8,008,756
CF1 Reconciliation of net income/expenditure to net cash flow from operating activities			
		2020 £	2019 £
Net income/expenditure		(1,176,573)	5,535,144
Adjustments for:			
(Gains)/losses on investments		2,534,508	298,634
Dividends income and rents from investments		(5,211,475)	(4,802,713)
Capital investment		(251,201)	(5,115,123)
(Increase)/decrease in debtors		(32,929)	(57,991)
(Decrease)/Increase in creditors		(128,845)	(4,788)
Net cash used in operating activities		(4,266,515)	(4,146,837)
CF2 Analysis of cash and cash equivalents			
		2020 £	2019 £
Cash in hand		6,107,554	5,650,387
Notice deposits (less than 3 months)		-	-
Investment cash		3,408,741	2,358,369
Total cash and cash equivalents		9,516,295	8,008,756
Analysis of changes in net debt			
	At start of year £	Cash flows £	At end of year £
Cash	5,650,387	457,167	6,107,554
Investment cash	2,358,369	1,050,372	3,408,741
Total	8,008,756	1,507,539	9,516,295

The notes on pages 11 to 18 form part of these financial statements

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed asset investments, and applicable accounting standards in the United Kingdom. The financial statements have been prepared in accordance with the second edition of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities. Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Capital and property investment markets remain volatile, due to the uncertainty caused by the ongoing Covid-19 pandemic. The valuations used for the property assets are provided by third party experts, but due to their reliance on retrospective data and the fast moving nature of the situation, there is a degree of uncertainty those valuations fully reflect the current market sentiment.

1.2 Funds introduced or withdrawn

Funds introduced or withdrawn are stated at the market value of assets or cash contributed or withdrawn.

1.3 Investment income and interest

Rental income and interest is accounted for on an accruals basis. Dividends are taken into account on the date of going ex-dividend.

1.4 Resources expended

Resources expended are accounted for on an accruals basis.

Support costs are made up of the applicable proportion of Drapers' Company staff time spent on managing the day-to-day administration of the Charity's affairs along with a recharge of their applicable share of office costs. Governance costs include audit fees and other costs relating to the administration of the trusteeship of the Charity. Costs are allocated between support costs and governance costs on the basis of time spent by the member of staff involved, unless immaterial.

1.5 Distributors to Shareholders

Distributions are declared and distributed on a quarterly basis during the financial year.

1.6 Investments

Property investments are stated in the balance sheet at open market value as at the balance sheet date as determined by an independent professional valuer. Other investments are valued at mid-market price as at the balance sheet date. Unrealised and realised investment gains are shown net on the face of the Statement of Financial Activities.

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

1.7 Funds

The Pool maintains two funds:

The restricted Pool Capital Fund holds investments underlying the units held by participants in the Pool. Pool capital may increase or decrease through additional investment or withdrawals made by participants.

The unrestricted Pool Income Fund receives income from the Pool's investments and distributes all net income to participants, after deducting investment management and other management costs.

1.8 Critical accounting judgements and key sources of estimation uncertainty

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

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

Listed and Unlisted Investments

The determination of carrying value of unlisted investments is at fair value through profit and loss. In determining this amount, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology

Listed investments are valued at the quoted bid price at the reporting date.

2 Investment income and interest

	Income £	Capital £	2019/20 Total £	2018/19 Total £
Dividends receivable	682,909	-	682,909	701,644
Interest receivable	73,843	-	73,843	69,324
Rental income receivable	3,229,160	-	3,229,160	3,578,270
Other	1,225,563	-	1,225,563	453,474
	<u>5,211,475</u>	<u>-</u>	<u>5,211,475</u>	<u>4,802,713</u>

All investment income in 2020 and 2019 was unrestricted.

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

3 Investment management costs

	Income £	Capital £	2019/20 Total £	2018/19 Total £
Staff costs	100,310	-	100,310	103,824
Property management and legal fees	60,452	-	60,452	69,999
Accounting and administration	27,032	-	27,032	41,839
Other costs	70,799	-	70,799	11,964
	<u>258,593</u>	<u>-</u>	<u>258,593</u>	<u>227,626</u>

All investment income in 2020 and 2019 was unrestricted.

4 Interest payable

	Income £	Capital £	2019/20 Total £	2018/19 Total £
Interest payable on loan	582,000	-	582,000	582,000
	<u>582,000</u>	<u>-</u>	<u>582,000</u>	<u>582,000</u>

All investment income in 2020 and 2019 was unrestricted.

5 Charitable Activities

	Income £	Capital £	2019/20 Total £	2018/19 Total £
Governance costs : Audit fees	9,162	-	9,162	10,692
Dividends payable	3,254,986	-	3,254,986	3,263,740
	<u>3,264,148</u>	<u>-</u>	<u>3,264,148</u>	<u>3,274,432</u>

6 Investments

	Property £	31.07.20 Security £	Total £	31.07.19 Total £
Market value at 1 August	66,210,000	50,481,677	116,691,677	116,404,696
Additions and purchases	-	3,029,906	3,029,906	585,615
Disposals	(897,606)	(2,443,678)	(3,341,284)	-
Realised gains/(losses)	-	-	-	-
Net investment unrealised losses	(987,394)	(1,547,114)	(2,534,508)	(298,634)
Market value at 31 July	<u>64,325,000</u>	<u>49,520,791</u>	<u>113,845,791</u>	<u>116,691,677</u>
Historical cost at 31 July			<u>56,690,118</u>	<u>55,143,43</u>
Capital cash			<u>3,408,741</u>	<u>2,358,369</u>

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

The freehold properties have been valued by Independent Valuers, Knight Frank, as at 31 July 2020, on the basis of open market value in accordance with the Appraisal & Valuation Manual of the Royal Institution of Chartered Surveyors.

The investments were split between investment securities 43.95% (2018/19 – 43.39%) and investment properties 56.05% (2018/19 – 56.61%).

7 Summary of investment Scheme

	Income £	Capital £	2019/20 Total £	2018/19 Total £
Pooling Scheme	3,867,241	103,937,878	107,805,119	108,981,692
	Income £	Capital £	2018/19 Total £	2017/18 Total £
Pooling Scheme	2,760,507	106,221,185	108,981,692	103,446,548

8a Shareholders movements

	Assets b/fwd	Additions	Revaluation Gains/losses	Assets C/fwd
Drapers Charitable Fund	67,581,332	251,201	(885,608)	66,946,925
Francis Bancroft's Trust	5,724,482	-	(74,965)	5,649,517
Drapers Almshouse Charity	9,412,954	-	(123,270)	9,289,684
Sir William Boreman's Foundation	4,389,648	-	(57,486)	4,332,162
Thomas Howell's Education Fund for North Wales	847,417	-	(11,097)	836,320
Thomas Howell's Trust	21,025,859	-	(275,348)	20,750,511
	<u>108,981,692</u>	<u>251,201</u>	<u>(1,427,774)</u>	<u>107,805,119</u>
	Assets b/fwd	Additions	Revaluation Gains/losses	Assets C/fwd
Drapers Charitable Fund	62,185,49	5,130,099	265,484	67,581,332
Francis Bancroft's Trust	5,705,186	-	19,296	5,724,482
Drapers Almshouse Charity	9,381,221	-	31,733	9,412,954
Sir William Boreman's Foundation	4,374,850	-	14,798	4,389,648
Thomas Howell's Education Fund for North Wales	844,561	-	2,856	847,417
Thomas Howell's Trust	20,954,981	-	70,878	21,025,859
	<u>103,446,548</u>	<u>5,130,099</u>	<u>405,045</u>	<u>108,981,692</u>

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

8b Shareholders' interests and distributions payable

	Shareholders' interests at		Distributions payable in respect of the period to	
	31.07.20	31.07.19	31.07.20	31.07.19
	£	£	£	£
Pooling Scheme				
Drapers' Charitable Fund				
Expendable Endowment	42,168,404	42,598,110	1,272,289	1,272,289
Bangor Research Fellowship Fund	1,499,698	1,519,598	45,386	45,386
Gift & Legacy Fund	1,959,018	1,942,092	58,005	56,651
Baroness de Turckheim Music Fund	2,199,255	2,228,438	66,557	66,557
Taylor Charitable Trust	16,841	17,065	510	510
Drapers' Academy Endowment Fund	2,947,297	2,985,547	89,170	89,170
Drapers' (William & Mary) Tercentennial Award Scheme	493,294	499,839	14,929	14,929
Drapers' Consolidated Charity	6,558,744	6,645,775	198,491	198,491
Drapers' Consolidated Charity (CRF)	1,531,649	1,471,658	43,955	42,753
Redcliffe Foundation Fund	5,004,241	5,070,644	151,446	151,446
Henry Dixon's Foundation for Apprenticing	2,568,484	2,602,566	77,732	77,732
Francis Bancroft's Trust				
Expendable Endowment	5,387,750	5,459,242	163,053	174,363
Capital Recoupment Fund	-	-	-	-
Kevin Wing Scholarship Fund	89,222	90,406	2,700	2,700
Francis Bancrofts School Prize Fund	166,923	169,138	5,052	5,052
Thomas Henry Littlewoods Trust	5,622	5,696	170	170
Drapers' Almshouse Charity	9,289,684	9,412,954	281,139	281,139
Sir William Boreman's Foundation	4,332,162	4,389,648	131,107	131,107
Thomas Howell's Education Fund for North Wales	836,320	847,417	25,310	25,310
Thomas Howell's Trust				
Expendable Endowment	20,019,825	20,285,478	605,872	605,872
Llandaff Premium	730,686	740,381	22,113	22,113
	<u>107,805,119</u>	<u>108,981,692</u>	<u>3,254,986</u>	<u>3,263,740</u>

The Funds are Restricted as defined by the Charities Act 2011 in that the Pooling Scheme is constituted by shares, each share representing one undivided portion of the Scheme. The shares in the Scheme attributed to the Participating Charities are not capable of being assigned, transferred or charged except that the shares may be transferred from one Participating Charity to another.

In accordance with the Charity Commission Scheme, and Regulations established by the Trustee: -

- The Pool shall be valued as and when the Trustee determines, to permit Contributions and Withdrawals to be made and for accounting purposes.
- The Contribution Value of a share shall be ascertained by calculating the value at the relevant Valuation Date of the proportion of the Scheme represented by one share and adding such sum as the Trustee may consider represents the appropriate allowance for Charges and Duties.

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

Shareholders' interest and distributions payable (continued)

c) The Withdrawal Value of a share shall be ascertained by calculating the value at the relevant Valuation Date of the proportion of the Scheme represented by one share and deducting such sum as the Trustee may consider represents the appropriate allowance for Charges and Duties. In the event of a withdrawal the Trustee shall pay as soon as practicable after the Valuation Date to the Participating Charity cash of an amount equal to the Withdrawal value of the shares withdrawn. The Trustee may also agree to transfer investments or other assets of equal value to the Participating Charity instead of cash, but that Participating Charity shall bear the costs of all stamp duties and registration fees in connection with such transfers.

9 Debtors

	31.07.20 £	31.07.19 £
Dividends accrued	40,628	51,931
Other debtors	298,396	254,164
	<u>339,024</u>	<u>306,095</u>

10 Liabilities: Amounts falling due within one year

	31.07.20 £	31.07.19 £
Rent income received in advance	414,804	495,074
Other creditors	372,700	363,299
VAT	108,487	166,463
	<u>895,991</u>	<u>1,024,836</u>

11 Loan

	31.7.20 £	31.7.19 £
Loan from Debt Finance	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

On 18 March 2016, The Drapers' Company in its capacity as the corporate trustee of the Drapers' Charities Pooling Scheme, secured a loan of £15,000,000 for a term of 35 years repayable on 18 March 2051. Interest is payable on the loan at a rate of 3.88% per annum. The loan is secured by a floating charge over the investment assets of the Drapers' Charities Pooling Scheme.

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

12 Analysis of current assets by fund

	Income £	Capital £	31.7.20 £	31.7.19 £
Debtors	414,478	-	414,478	306,095
Cash at bank	3,424,208	2,683,346	6,107,554	5,650,387
Creditors	(971,445)	-	(971,445)	(1,024,836)
	<u>2,867,241</u>	<u>2,683,346</u>	<u>5,550,587</u>	<u>4,931,646</u>
	Income £	Capital £	31.7.19 £	31.7.18 £
Debtors	306,095	-	306,095	248,104
Cash at bank	3,479,248	2,171,139	5,650,387	2,823,372
Creditors	(1,028,836)	-	(1,028,836)	(1,029,624)
	<u>2,760,507</u>	<u>2,171,139</u>	<u>4,931,646</u>	<u>2,041,852</u>

The interest of each participating charity in The Pooling Scheme is shown in Note 8.

13 Transactions with related parties

The Trustee of the Charity, The Drapers' Company, acts as Trustee for six other charities, details of which are provided in Appendix C to the Trustee's Report. Details of the interests of those charities in the Scheme are shown in Note 8.

14 Trustee remuneration

The members of the Drapers' Company Court of Assistants as Trustee give freely their time and expertise without any form of remuneration or other benefit in cash or kind, or the reimbursement of any expenses by the charity (2019: £nil).

THE DRAPERS' CHARITIES POOLING SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JULY 2020

15 Prior year SOFA

	Unrestricted Pool Income £	Restricted Pool Capital £	2018/19 Total £
Income and endowments from:			
Capital funds introduced by shareholders	-	5,115,123	5,115,123
Investment income	4,802,713	-	4,802,713
Total	4,802,713	5,115,123	9,917,836
Expenditure on:			
Raising funds:			
Investment management costs	227,626	-	227,626
Interest payable	582,000	-	582,000
Charitable activities	3,274,432	-	3,274,432
Total	4,084,058	-	4,084,058
Net investment losses	-	(298,634)	(298,634)
Net income	718,655	4,816,489	5,535,144
Balances at 1 August	2,041,852	101,404,696	103,446,548
Balances at 31 July	2,760,507	106,221,185	108,981,692