

THE MERCHANT TAYLORS' COMPANY CHARITIES FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 December 2020

*The Merchant Taylors' Company Charities Fund***INDEX**

Trustees' Report	3
Objectives and Activities	3
Achievements and Performance	5
Financial Review	6
Future Plans	8
Structure, Governance and Management	9
Reference and Administrative Details	11
Statement of the Trustees' Responsibilities	12
Independent Examiner's Report	13
Statement of Financial Activities	14
Balance Sheet	15
Accounting Policies	16
Notes to the Financial Statements	19

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees submit their report and financial statements for the year ended 31 December 2020.

The accounts 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 UK and Republic of Ireland, second edition (Charities SORP (FRS 102)) and with the Charities Act 2011.

OBJECTIVES AND ACTIVITIES**Charitable Objects**

The Objects of the Charity are to carry out such legally charitable purposes for the relief of poverty, infirmity, the advancement of education or religion or otherwise for the benefit of the community as the Trustees shall from time to time in their absolute discretion decide.

The Charity's three funds are all unrestricted to the full extent of those Objects, except to the extent noted below:

1. The Unrestricted (General) fund – no restriction within the Objects
2. The Livery and Freemen Fund: Income fund – no restriction within the Objects
3. The Livery and Freemen Fund: Endowment fund – only restricted as to the extent that any particular donor imposes a restriction. No donor has done so.

A detailed explanation of these elements can be found later in this report under Structure, Governance and Management.

Aims and Objectives

The Charity aims to:

1. Make grants to charities nominated by the membership of the Merchant Taylors' Company as 'Livery and Freemen Fund nominated charities', to the charity chosen by the Master Merchant Taylor for the time being, and to other charitable causes with which the Merchant Taylors' Company itself has long-standing associations.
2. Relieve poverty through its social investment in Fair by Design Fund.

The Charity's key objective for the year was to continue to support causes in accordance with its Objects and with the aims outlined above, and also to maximise donations to both the Livery and Freemen Fund: Income Fund and the Livery and Freemen Fund: Endowment Fund to increase both its "short-term" and "long-term" resources.

Activities

The Charity's assets are comprised of three elements:

1. The Unrestricted (General) fund
2. The Livery and Freemen Fund: Income fund
3. The Livery and Freemen Fund: Endowment fund

A detailed explanation of these elements can be found later in this report under Structure, Governance and Management.

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

As in previous years, the Unrestricted (General) fund was comprised almost entirely of a donation from the Company. The Trustees made grants from this fund, totalling £7,670 (2019: £10,850), in the categories of Education, Training Awards, and Church and Clergy to charitable causes with which the Company has long-standing associations.

As in previous years, the Livery and Freemen Fund: Income fund was comprised entirely of donations made within the reporting period by individuals connected with the Merchant Taylors' Company, or by the Company itself. The Trustees made grants from this fund, totalling £50,451 (2019: £85,775), to the charities listed in note 5.

Social investment in Fair by Design Fund ('FbD')

The Charity is a social investor in the Fair by Design Fund, which tackles the Poverty Premium by investing in businesses enabling people on lower incomes to access products or services without paying the Poverty Premium which mainstream businesses have tended to impose. The Charity became a limited liability partner in FbD early in 2019.

FbD's full name is The Fair By Design Venture Limited Partnership. FbD is registered in England and Wales with registration number LP018086. Its registered office is at The Council House, Victoria Square, Birmingham, West Midlands, B1 1BB.

The Charity's commitment is to make up to £200,000 available to FbD, from the Livery and Freemen Fund: Endowment Fund. Of this, £20 is a capital contribution, and £199,980 is a loan from the Charity to FbD.

As at the end of the reporting period, the Charity had invested £127,891. See 'Achievements and Performance' later in this report for more detail.

The Charity's social investment policy is as follows. The investment in FbD was a trial to test how effective a particular social investment could be at reducing poverty, and that the Charity will not consider making any further social investments for the foreseeable future/near term while it is not yet possible to evaluate FbD's long-term impact properly.

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Charity's public benefit is enshrined in its charitable Objects.

Strategy

The strategy for the year has been to continue to raise funds for the Livery and Freemen Fund, and to make best use of the Unrestricted (General) fund.

Grant-making policies

The Charity does not accept grant applications. The policy is to make relatively modest grants to the charitable causes with which the Company has long-standing associations, and grants of £10,000 per Mastership Year to the Livery and Freemen Fund nominated charities. The policy with effect from the Mastership Year July 2019-July 2020, is that the Charity will simply make a donation to the incumbent of whatever funds are raised from members of the Merchant Taylors'

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Company at events specifically promoted as linked to the Master's Charity.

ACHIEVEMENTS AND PERFORMANCE**Performance against strategy**

The Charity was able to provide a steady degree of support to causes according to its Objects and aims while continuing to grow its endowment.

Fair by Design Fund

As at the end of the reporting period, the Charity had invested £127,891 and the overall value of the investment in the balance sheet after allowing for the Company's share of the investment gains is £163,627.

As at the end of the reporting period, FbD had invested in the following businesses. *(A sample of metrics reported by FbD as at the end of the period appear in italics. Some metrics are not reproduced here, typically because a lengthier explanation would be required of assumptions underlying the measurement. However, an e-copy of the full social impact report setting out all metrics is available from the Charity on request to any member of the Merchant Taylors' Company).*

1. **Incuto** - a Banking tech platform for Credit Unions, Community Banks & CDFIs. *(Number of Credit Unions: 24. Aggregate membership of those Credit Unions: 470,181. Average saving in end user accounts: £272)*
2. **Credit Kudos** - a challenger credit bureau that harnesses Open Banking data to measure creditworthiness in a fairer way, helping individuals get access to services at better rates, by fully understanding their financial situations instead of a one-dimensional credit score.
3. **Wagestream** gives employees complete control over when they get paid, for example low income shift workers. It effectively ends the need for employer advances, loans and the stress caused by short-term, unplanned financial obligations. Its mission is to make the payday loan industry redundant. *(Wagestream was favourably reviewed in The Economist's 'Bartleby' column in during the reporting period) (Number of active employers using Wagestream: 64. Number of eligible employees using Wagestream: 105,082)*
4. **Emrgnt** - By rolling out new electricity, heat and mobility technologies in intelligent, localised systems, Emrgnt can make clean, cheap energy available for everyone and help tackle climate change. *(Number of Housing Association partners: 2. Number of homes benefitting: 500,000).*
5. **Minibems** - stands for Mini Building & Energy Management System. They provide an 'Internet Of Things' based solution for the heating market, lowering costs by delivering performance enhancements in domestic and commercial buildings. *(Number of organisational clients using Minibems: 13 of which 4 are in the social sector. Total homes with Minibems installed: 1,056 of which 846 are in the social sector.)*
6. **Switcher** - the UK's first smart thermostat and asset management platform for large social landlords. Switcher reduces the energy costs for social housing tenants, which helps reduce fuel poverty, responsible for the largest premiums on low-income consumers. *(2,245 homes with Switcher installed. Average annual saving per household £130)*
7. **We are Digital** - an online platform that combats digital and financial exclusion via tutoring sessions. WAD works with corporate and government customers, supporting them with the challenges of servicing digitally excluded consumers. It ensures that excluded consumers can access products and services previously inaccessible to them.

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. **Jobskilla** - a free online platform designed to bridge the gap between the unemployed, funded training, and support providers and advisors. It tackles digital exclusion by connecting funded training programmes with unemployed people and offering digital inclusion training.
9. **Kraydel** -tackles social isolation for elderly and vulnerable people, helping them stay independent for longer through its smart connectivity platform and ancillary digital services inaccessible to them.

Fundraising performance

Donations from individuals in the year totalled £125,089 (2019: £180,978). The Trustees attribute this to the reduction in events held by MT Company meaning in person donations were not possible during the year.

The Merchant Taylors' Company's Livery and Freemen Committee pivoted away from concentrating almost exclusively on fundraising events for the Charity, and towards enhancing the membership journey for members of the Company. The Trustees wish to take this opportunity to record their gratitude to that Committee for the years in which its main focus was fundraising. They wish the Committee well in its new direction of travel.

Investment performance

Investment income amounted to £32,557 (2019: £33,277), with income from listed investments being allocated entirely to the Livery and Freemen Fund: Endowment fund (£32,513 (2019: £33,195)), and deposit interest being allocated to the Unrestricted (General) fund.

There was a total return of 9.7% on the Charity's investments in the Merchant Taylors' Livery and Freemen Fund with Rathbones. That exceeded the primary benchmark, set with reference to a composite index of income-oriented funds, which was 0.5%. It also exceeded the secondary benchmark of RPI + 3.5% per annum over the investment cycle.

Legacy campaign

The Charity did not receive any legacy pledges during the year because The Merchant Taylor's Company has switched the focus of legacy campaigning to a sister charity, The Merchant Taylors' Foundation.

FINANCIAL REVIEW**Investment policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to maintain capital growth.

Rathbones' 'Merchant Taylors' Livery and Freemen Fund' is managed on a discretionary basis. It has a balanced mandate so is managed for a combination of capital and growth. There are no investment restrictions and hence no social, environmental or ethical considerations as such are taken into account

It is a fund for investors with a medium risk tolerance, with a 6-10 year time horizon and the capacity to tolerate a temporary or, sometimes, permanent capital loss. The benchmark for the fund is explained earlier in this report, under the heading Investment Performance.

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The assets in this fund represent the Livery and Freemen Fund: Endowment fund, including Income generated by it which is being accumulated and "rolled-up" into capital for the time being, at the direction of the Trustees and in accordance with their Deed dated 16th July 2012. Further details are set out below under Structure, Governance and Management.

Reserves policy

The Trustees' policy is to retain approximately £20,000 in liquid and expendable funds as a reserve in the Unrestricted (General) Fund, and another £20,000 in the Livery and Freemen Fund: Income Fund.

However, in both cases it is considered appropriate to make use of these reserves rather than to dismiss what would otherwise be successful applications for grants. In the case of the Livery and Freemen Fund: Income Fund, the Trustees believe the current reserves policy would be sufficient to cover this eventuality given the nature and size of the grants awarded historically. In the case of the Unrestricted (General) Fund, the Trustees' additional reason for setting the reserves policy at this level is in order to be able, if necessary, to top up any shortfall on the annual fundraising target for the Livery and Freemen Fund: Income Fund. Historically, if shortfalls have arisen on that target, it has tended to be in the range £1 - £20,000.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure, and so that has not been a factor in setting the reserves policy

At the end of the reporting period, the Unrestricted (General) fund stood at £19,936 (2019: £37,973).

The Livery and Freemen Fund: Income Fund stood at £58,323 (2019: £32,009). This was somewhat above the Reserves Policy, due to cautious budgeting assumptions earlier in the year.

Risk management

The Trustees regularly review their Risk Register, which details the present status of those operational risks which might diminish the Charity's effectiveness, and the measures in place to mitigate them.

The potential for grant fraud is acknowledged as being a major risk to which the Charity, and charities like it, may be subject, and it is felt that the extensive pre-Committee due diligence and post-grant monitoring processes in place mitigate against it as strongly as the Charity's resources will allow. A proportion of beneficiaries receive a visit from staff and/or the Livery and Freemen Committee as some point in the grant cycle, at the direction of the Trustees.

The Trustees are aware that safeguarding is a high priority for the charity sector as a whole. In the context that the Charity makes grants only to organisations, not individuals, the grant application form requires applicant organisations working with children or vulnerable adults to certify that the relevant staff are DBS checked. The Trustees believe that this is a proportionate approach.

The other major risk to which the Charity is exposed is the value of, and yield from, its investments. Investments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

2016 seriously and have considered the implications for fundraising activities. The Charity is a charitable trust supported by The Merchant Taylors' Company. It conducts fundraising activity to raise funds from members of The Merchant Taylors' Company, but does not carry out any fundraising activity in order to raise funds from the general public. It 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.

A review of the final position at the end of the reporting period

At the end of the reporting period, the Unrestricted (General) fund and the Livery and Freemen Fund: Income Fund stood at the respective figures stated earlier in this report under 'Reserves Policy'. The Livery and Freemen Fund: Endowment Fund stood at £1,598,230 (2019: £1,382,999).

The Merchant Taylors' Company made a donation to the Charity of £90,919 (2019: £87,750) as a contribution towards the Charity's administrative expenses.

FUTURE PLANS

It is not anticipated that the Covid pandemic will have a significant impact on the Charity's future plans, which are as follows.

Support for the Master's Charity and Livery and Freemen Fund membership-nominated charities

The Charity will no longer fundraise on behalf of the Master's Charity for the time being. Instead, at fundraising events promoted to Company members as in aid of the Master's Charity, members will be encouraged simply to donate direct to the Master's Charity.

The system of 'Livery and Freemen Fund membership-nominated charities' will end, once all of the incumbents have finished their three-year term of support. Instead, Company members will have two new ways of engaging financial support for charities with which they have a particular affinity. First, the Merchant Taylors' Company itself will match fund within certain limits any funds which a Company member has raised for a UK registered charity by undertaking a personal challenge (eg, a half-marathon). Second, any Company member will be able to nominate any UK registered charity for an annual 'charity tombola'. The Merchant Taylors' Company itself will make a donation to the first two or three charities drawn.

The Merchant Taylors' Foundation project

The Trustees wish the Charity to participate in a consolidation of most of the grant-making charities for which the Merchant Taylors' Company provides trustees. Accordingly, in 2021, the Charity will donate its assets, to the extent lawfully possible, as unrestricted funds to The Merchant Taylors' Foundation (registered charity no. 1161568). The Charity will continue to exist until such time as it appears very unlikely that it might receive any further legacies. The Charity will pass its income, restricted to use within the Charity's Objects, to The Merchant Taylors' Foundation.

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing document**

The Charity's constitution is a Deed of Trust dated 26 January 1998.

The different Funds

This Deed provided that a part of the Charity's assets were to be known as ***the Livery and Freeman Fund***. The other part of the Charity's assets were not given a particular name by the Deed, but for convenience are referred to in this report as the ***'Unrestricted (General) Fund'***.

Objects of the Charity applying equally to all of its Funds

The Deed of Trust provided that all of the Charity's assets, including the Livery and Freeman Fund, were unrestricted as to purpose and therefore could be used to further any aspects of the Charity's Objects. The only difference between the Unrestricted (General) Fund and the Livery and Freeman Fund was that, if donating to the Livery and Freeman Fund, a donor could stipulate that his or her donated capital was to be applied for a restricted purpose within the Charity's Objects.

The Unrestricted (General) Fund: sources of income

The income of the Unrestricted (General) Fund is constituted by donations by members of the Merchant Taylors' Company, and bank deposit interest.

Sub-division of The Livery and Freeman Fund**The Livery and Freeman Fund: Endowment Fund**

By Resolution of 7 March 2012, the Trustees noted the following:

- They had sought advice from a committee comprised of donors to the Livery and Freeman Fund
- the capital of the Livery and Freeman Fund (or 'endowment fund') is not a permanent endowment, and is expendable under the provisions of the Trust Deed and is understood by donors to be so;
- that, pursuant to the advice of the donors' committee, the Trustees wished to accumulate income generated by that capital "in consideration of future beneficiaries.... thereby augmenting donations to the capital element of the trust with a view to it becoming a sizeable fund, generating a significant on-going income."

Accordingly, a Supplemental Deed dated 16 July 2012 made further provision about the capital in the Livery and Freeman Fund. In its preamble, the Supplemental Deed referred to the capital in the Livery and Freeman Fund as 'endowment'. The Supplemental Deed allowed the Trustees to accumulate income generated by the capital in the Livery and Freeman Fund, and add it to that capital, for up to 21 years. This period is due to expire on 15 July 2033.

The operative clause in the Supplemental Deed which effected this change reverted to the terminology of 'any capital of the Livery and Freeman Fund', rather than 'endowment'. However, since then the Trustees have tended to refer to that element of the Charity's assets as ***The Livery and Freeman Fund: Endowment Fund***, and that is the name by which it is referred to in this report.

The income of The Livery and Freeman Fund: Endowment Fund comes partly from listed

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

investments, and partly from donations by members of the Merchant Taylors' Company. The Charity's social investment in Fair by Design comes from The Livery and Freeman Fund: Endowment Fund.

The Livery and Freeman Fund: Income Fund

That part of the Livery and Freeman Fund which is not the Endowment Fund is known as ***The Livery and Freeman Fund: Income Fund***. Its income comes from donations by members of The Merchant Taylors' Company, and the Company itself.

Appointment of Trustees

The Trustees are appointed by resolution of the existing Trustees from the membership of the Merchant Taylors' Company, with particular regard had to skills and needs at the time. The Trustees are also Trustees of a number of other grant-making charities with similar associations with the Merchant Taylors' Company.

Induction and training of Trustees

Trustees are given a comprehensive induction pack covering key matters such as the Charity's Objects, grant-making policy, and sources of income. They are offered at least one opportunity each year to receive training, either by Merchant Taylors' Company staff or external speakers. Trustees have access to the governing document, previous minutes, and Charity Commission guidance. They are also supported by qualified and experienced staff based at Merchant Taylors' Hall. Further advice and guidance is offered to the Trustees through a system of committees within the Company, culminating with the Court of the Merchant Taylors' Company.

Decision-making and delegation

At the start of each Trustees meeting, the Chairman asks the Trustees to declare any personal interest which might directly or indirectly cause them a conflict. If a Trustee does declare an interest, they do not participate in any decision where that interest is relevant nor do they count towards the quorum at the time of taking such decision.

Members of the Merchant Taylors' Company's Charities Committee who are not Trustees are invited but not obliged to attend Trustees' meetings. If they attend, it is always in an observer capacity only, ie non-speaking and non-voting.

Management Personnel

The Charity does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

Related Parties

The Trustees are all members of the Merchant Taylors' Company, which administers this Charity. Some of the Trustees may be connected to one or more of the organisations that received grants during the year. However, as all grants are approved on a majority basis by the members of a separate committee, the Trustees do not believe that such connections impact on the grant-making process.

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Charity.

The Merchant Taylors' Company Charities Fund

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	The Merchant Taylors' Company Charities Fund
REGISTERED CHARITY NUMBER:	1069124 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr R A D Sullivan (Chairman) Mr R J A Bull Mr D Jackson (Appointed 11th June 2020) Revd Canon R Godsall (Appointed 11th June 2020) Mr A G Moss (Resigned 11th June 2020) Mr J A J Price (Resigned 11th June 2020) Dr J J Oram FRCP (Resigned 11th June 2020)
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
INDEPENDENT EXAMINER:	Cara Turlington FCA, DChA Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

*The Merchant Taylors' Company Charities Fund***TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Trustees 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 Trustees are required to:

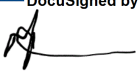
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the governing documents. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Report of the Trustees was approved by the Trustees on the 28/07/2021 and signed on their behalf.

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing)

Trustee:

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RAD Sullivan

*The Merchant Taylors' Company Charities Fund***INDEPENDENT EXAMINERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

I report to the Trustees on my examination of the accounts of The Merchant Taylors' Company Charities Fund (the Charity) for the year ended 31 December 2020.

Respective Responsibilities of Trustees and examiner

As the Charity Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

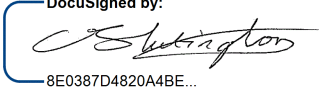
Independent examiner's statement

The Charity's gross income exceeded £250,000 and I am qualified to carry out the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:  30/07/2021
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Cara Turtington FCA, DChA
Saffery Champness LLP Chartered Accountants
71 Queen Victoria Street London EC4V 4BE

*The Merchant Taylors' Company Charities Fund***STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted (General)	Livery and Freemen Fund			
	Note	fund £	Income fund £	Expendable Endowment fund £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies	2	12,215	140,220	63,573	216,008	268,728
Charitable activities		-	-	-	-	3,548
Investments	3	44	-	32,513	32,557	33,277
Total income and endowments		12,259	140,220	96,086	248,564	305,553
Expenditure on:						
Raising funds						
Investment management costs		-	-	4,986	4,986	7,975
Fundraising event costs		-	1,542	-	1,542	8,003
		-	1,542	4,986	6,528	15,978
Charitable activities						
Grants and donations	4	7,670	50,451	-	58,121	86,225
Grant related support costs	5	22,626	61,914	-	84,540	117,468
		30,296	112,365	-	142,661	203,693
Total expenditure		30,296	113,907	4,986	149,189	219,671
Net gains on investments						
Realised & Unrealised Investment assets	6	-	-	124,131	124,131	157,447
		-	-	124,131	124,131	157,447
Net income for the year and movement in funds		(18,038)	26,314	215,231	223,507	243,329
Fund balances brought forward at 1 January 2020		37,973	32,009	1,382,999	1,452,981	1,209,652
Fund balances carried forward 31 December 2020		19,936	58,323	1,598,230	1,676,488	1,452,981

All income and the net movement in funds are derived from continuing activities.


The notes on pages 16 to 27 form part of these financial statements.

*The Merchant Taylors' Company Charities Fund***BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020	2019
		£	£
Fixed assets			
Investments	6	1,362,856	1,246,811
Fair By Design		163,627	97,159
		<u>1,526,483</u>	<u>1,343,970</u>
Current assets			
Debtors	7	22,266	74,178
Cash at bank		140,964	69,474
		<u>163,229</u>	<u>143,652</u>
Creditors: amounts falling due within one year	8	13,225	34,641
Net current assets		<u>150,005</u>	<u>109,011</u>
		<u>1,676,488</u>	<u>1,452,981</u>
		<u>1,676,488</u>	<u>1,452,981</u>
Funds			
Livery and Freemen Fund: Endowment fund	9	1,598,230	1,382,999
Livery and Freemen Fund: Income fund	10	58,323	32,009
Unrestricted (General) fund	11	19,936	37,973
	12	<u>1,676,488</u>	<u>1,452,981</u>

These financial statements were approved by the Trustees on 28/07/2021

Trustee

DocuSigned by:

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The notes on pages 16 to 27 form part of these financial statements.

*The Merchant Taylors' Company Charities Fund***ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

These 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 UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

1.1 Accounting convention

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on an accruals basis under the historic cost convention, with the exception of investments which are stated at market value.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn

1.2 Going concern

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.

1.3 Income and endowments

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are included in full in the statement of financial activities when receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

*The Merchant Taylors' Company Charities Fund***ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds comprises those costs directly attributable to managing the investment portfolio and raising investment income.

Expenditure on charitable activities includes those costs incurred by the Charity in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for an multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award. There are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making future

Allocation of support and governance costs

Support costs have been allocated between the governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs related to independent examiner fees and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based

*The Merchant Taylors' Company Charities Fund***ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.5 Fixed asset investments

Investments are stated at market value at the balance sheet date. Net gains and losses arising on revaluation and disposals throughout the year are taken to the Statement of Financial Activities.

1.6 Social investments

The charity invests in funds considered to have social value and these are classed as mixed motive investments. They are accounted for at fair value based on the charity's share of underlying net assets. Any movement in fair value is accounted for as an unrealised investment gain or loss in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Funds

The Unrestricted (General Fund) and the Livery and Freemen Fund: Income Fund represent income available for expenditure in the reporting period. The Livery and Freemen Fund: Endowment Fund is an expendable endowment for the principal purpose of generating income for accumulation and reinvestment.

1.9 Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

1.10 Taxation

The Charity is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****2 Donations and legacies**

	2020	2019
	£	£
Donations from Merchant Taylors' Company	90,919	87,750
Donations from individuals	125,089	180,978
	<u>216,008</u>	<u>268,728</u>

3 Investments

	2020	2019
	£	£
Income from listed investments	32,513	33,195
Deposit interest	44	81
	<u>32,557</u>	<u>33,277</u>

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 Grants and donations**

	2020	2019
	£	£
<i>Unrestricted donations</i>		
Church & Clergy		
St Michael's Church Cornhill	770	500
St Paul's Church Swanley	1,000	500
St Margaret's Lee	1,000	1,000
St Helen's Bishopsgate	2,000	2,000
Friends of St Paul's Cathedral	1,000	-
Wallingford School Outward Bound	-	150
Merchant Taylor's School Outward Bound	-	4,200
Clergy Support Trust	-	1,000
Education		
St Paul's Cathedral Choir School	1,000	1,000
Guildhall School of Music	6,000	-
John Harrison Prize	500	500
The Bespoke Tailors' Benevolent Association	5,000	-
Write off of donations accrued and not paid from 2015	(10,600)	-
Total unrestricted donations	7,670	10,850
Livery & Freemen donations		
Magic Breakfast	10,000	10,000
The Sheriffs' and Recorders' Fund	2,000	1,000
Bowhaven	13,951	50,000
Chichester Cathedral R&D Trust	2,500	-
Invincible Me	10,000	5,000
Resurgo	10,000	10,000
Clergy Support Trust	2,000	-
The Bespoke Tailors' Benevolent Association	-	2,500
Guildhall School of Music and Drama	-	6,000
Friends of St Paul's Cathedral	-	1,000
Other donations	-	275
Write off of donations not paid	-	(10,400)
Total Donations	58,121	86,225

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****5 Grant related support costs**

	2020	2019
	£	£
Management fees	79,116	99,882
Insurance	485	529
Bank charges	1,969	1,500
Sundry expenses	(30)	2,221
Governance costs:		
Independent examiner's remuneration:		
- Statutory report - current year	2,500	2,500
- Special review work (Fair by Design)	-	2,550
- Statutory report - prior year over provision	500	1,200
Professional fees	-	7,087
	<u>84,540</u>	<u>117,468</u>

Trustees received no remuneration (2019: £nil) and were not reimbursed for any of their expenses in the year (2019: £nil). The Charity had no employees during the current or prior year.

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****6 Fixed asset investments**

Listed investments	2020 £	2019 £
Market value at 1 January 2020	1,246,811	1,060,955
Add:		
Additions	24,745	233,445
Disposals	(51,420)	(50,733)
Movement in cash	54,324	(154,302)
Net realised / unrealised gains	88,396	157,447
Market value at 31 December 2020	1,362,856	1,246,811
Social investments	£	£
Fair value at 1 January 2020	97,159	-
Add:		
Additions	30,732	97,159
Net realised / unrealised gains	35,735	-
Fair value at 31 December 2020	163,626	97,159

7 Debtors

	2020 £	2019 £
Accrued income and tax recoverable	20,390	73,733
Prepayments	-	-
Other debtors	1,876	445
	22,266	74,178

Other debtors include the following balance with connected parties:

	2020 £	2019 £
Bradestrete Services Limited	247	-
Merchant Taylors' Company	1,629	445
	1,876	445

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Creditors	92	3,171
Grants and donations payable	-	14,700
Accruals and deferred income	3,930	3,808
Other creditors	9,203	12,962
	13,225	34,641

Other creditors includes the following balances with connected parties:

	2020 £	2019 £
Bradestrete Services Limited	8,903	12,662
Dudley and Geoffrey Cox Charitable Trust	300	300
	9,203	12,962

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9 Livery and Freemen Fund: Endowment Fund**

	Movement in fund			
	Balance 1 Jan 2020	Income	Expenditure	Net gains
	£	£	£	£
Livery and Freemen Fund: Endowment Fund	1,382,999	96,086	(4,986)	124,131
	<u>1,382,999</u>	<u>96,086</u>	<u>(4,986)</u>	<u>124,131</u>
				<u>1,598,230</u>

The function of the fund is explained on page 7 of the Trustees' Annual Report.

All realised and unrealised movements in the value of investments have been added to or deducted from the capital value of the Charity.

10 Livery and Freeman Fund: Income Fund

The function of the fund is explained on page 4 of the Trustees' Annual Report.

	Movement in fund		
	Balance 1 Jan 2020	Income	Expenditure
	£	£	£
Livery and Freemen Fund: Income Fund	32,009	140,220	(113,907)
	<u>32,009</u>	<u>140,220</u>	<u>(113,907)</u>
			<u>58,323</u>

The grant-making policy is determined by the Trustees from time to time and in such proportions as they agree.

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11 Unrestricted (General) fund**

	Movement in fund		
	Balance 31 Dec 2020 £	Income £	Expenditure £
	Balance 31 Dec 2020 £		
Unrestricted (General) fund	37,973	12,259	(30,296)

The annual income is applied as agreed by the Trustees in furtherance of the Charity's charitable purposes.

12 Analysis of net assets between funds

	Unrestricted (General) fund £	Livery and Freemen Fund Income fund £	Endowment fund £	Total £
Investments	-	-	1,526,483	1,526,483
Net current assets	19,936	58,323	71,747	150,005
Balance at 31 December 2020	19,936	58,323	1,598,230	1,676,488

13 Related party transactions

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Charity amounting to £79,116 (2019: £99,882).

Some of the Trustees may be connected to one or more of the organisations that received grants during the year. However, as all grants are approved on a majority basis by the members of a separate committee the Trustees do not believe that such connections impact on the grant-making process.

The Trustees are all members of the Merchant Taylors' Company, which administers this Charity. The balances due to and from the other charities administered by the Merchant Taylors' Company at 31 December 2020 are disclosed in notes 8 and 9 to the financial statements.

14 Capital Commitments

Capital commitments contracted but not provided for in relation to the Fair by Design investment total £72,109 (2019: £102,841).

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15 Comparative information**

	Livery and Freemen Fund			
	Unrestricted (General) fund £	Income fund £	Endowment fund £	Total 2019 £
Income and endowments from:				
Donations and legacies	18,480	180,106	70,143	268,728
Charitable activities	-	3,548	-	3,548
Other trading activities	-	-	-	-
Investments	82	-	33,195	33,277
Total income and endowments	18,562	183,654	103,338	305,553
Expenditure on:				
Raising funds				
Investment management costs	-	-	7,975	7,975
Fundraising event costs	-	8,003	-	8,003
	-	8,003	7,975	15,978
Charitable activities				
Grants and donations payable	10,850	75,375	-	86,225
Grant related support costs	31,068	79,384	7,016	117,468
	41,918	154,759	7,016	203,693
Total expenditure	41,918	162,762	14,991	219,671
Net gains on investments				
Realised & unrealised Investment assets	-	-	157,447	157,447
Net movement in funds	-	-	157,447	157,447
Fund balances brought forward at 01 January 2019	(23,356)	20,892	245,793	243,329
	61,329	11,117	1,137,206	1,209,652
Fund balances carried forward 31 December 2019	37,973	32,009	1,382,999	1,452,981

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15 Comparative information (continued)**

	Movement in fund			
	Balance 1 Jan 2019 £	Income £	Expenditure £	Net gains £
Livery and Freemen Fund: Endowment Fund	1,137,206	103,338	(14,991)	157,447
	<u>1,137,206</u>	<u>103,338</u>	<u>(14,991)</u>	<u>157,447</u>
				<u>1,382,999</u>

The function of the fund is explained on page 7 of the Trustees' Annual Report.

All realised and unrealised movements in the value of investments have been added to or deducted from the capital value of the Charity.

Livery and Freeman Fund: Income Fund

The function of the fund is explained on page 4 of the Trustees' Annual Report.

	Movement in fund		
	Balance 1 Jan 2019 £	Income £	Expenditure £
Livery and Freemen Fund: Income Fund	11,117	183,654	(162,762)
	<u>11,117</u>	<u>183,654</u>	<u>(162,762)</u>
			<u>32,009</u>

*The Merchant Taylors' Company Charities Fund***NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****15 Comparative information (continued)**

	Movement in fund		
	Balance 01 Jan 19 £	Income £	Expenditure £
Unrestricted (General) fund	61,329	18,561	(41,918)

	Unrestricted (General) fund £	Livery and Freemen Fund		Total £
		Income fund £	Endowment fund £	
Investments	-	-	1,343,970	1,343,970
Creditors due after more than one year	(200)	200	-	-
Net current assets	38,173	31,809	39,029	109,011
Balance at 31 December 2019	37,973	32,009	1,382,999	1,452,981