

**THE MERCHANT TAYLORS' COMPANY CHARITIES FUND**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**SEVEN-MONTH PERIOD ENDED 31 JULY 2021**

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

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*The Merchant Taylors' Company Charities Fund*

TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 JULY 2021

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The Trustees submit their report and financial statements for the seven-month period ended 31 July 2021.

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 the Merchant Taylors' Foundation
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.

### The Merchant Taylors' Foundation project

As part of the process of the Merchant Taylors' Foundation becoming the main fundraising and grant-making charity in May 2021 the Charity donated the majority of its assets as unrestricted funds to The Merchant Taylors' Foundation (registered charity no. 1161568). After taking legal advice trustees considered that for those funds which were held in the charity as expendable endowments that the gifting of the assets resulted in the endowment having been expended. Due to the overlap in charitable objects trustees considered that the recipient charity could hold these funds as unrestricted. For future periods 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 to The Merchant Taylors' Foundation.

*The Merchant Taylors' Company Charities Fund*

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**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.

As in previous periods, the Unrestricted (General) fund was comprised almost entirely of a donation from the Company. The Trustees made no grants from this fund for the 7 month period, (12 month total 2020: £7,670), as grant making responsibilities have moved to Merchant Taylors' Foundation.

As in previous periods, 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 £2,770 (2020: £50,451), 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 £116,551 (2020: £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.

*The Merchant Taylors' Company Charities Fund*

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**Strategy**

The strategy for the year has been to continue to raise funds for the Livery and Freeman Fund, and to make best use of the Unrestricted (General) fund and to gift any income to the Merchant Taylors' Foundation.

**Grant-making policies**

The Charity does not accept grant applications as grant-making is now primarily done by the Merchant Taylors' Foundation. The Charity will donate free incoming resources to the Merchant Taylors' Foundation.

**ACHIEVEMENTS AND PERFORMANCE****Performance against strategy**

The Charity was able to provide a steady degree of support to the Merchant Taylors' Foundation 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 £116,551 (2020: £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 £143,371 (2020: £163,627).

For further information on the investments held and work undertaken by Fair by Design see [www.fairbydesign.com](http://www.fairbydesign.com).

**Fundraising performance**

Donations from individuals in the 7 month period totalled £57,939 (12 month period 2020: £125,089). The Trustees attribute this to the fact that donations are now encouraged to be made to the Merchant Taylors' Foundation.

**Investment performance**

Investment income for the 7 month period amounted to £21,188 (12 month period 2020: £32,557). The investment portfolio was donated to the Merchant Taylors' Foundation in May.

There was a total return of 4.3% on the Charity's investments in the Merchant Taylors' Livery and Freeman Fund with Rathbones prior to the transfer to the Merchant Taylors' Foundation.

**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 Freeman Fund' was managed on a discretionary basis. It has a balanced mandate so is managed for a combination of capital and growth. There are no

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investment restrictions and hence no social, environmental or ethical considerations as such are taken into account

The assets in this fund represented the Livery and Freemen Fund: Endowment fund. Due to the transfer of assets in May 2021 to the Merchant Taylors' Foundation the investment income has been allocated to the income fund as the trustees now consider that no endowment is held.

**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 £6,622 (2020: £19,936).

The Livery and Freemen Fund: Income Fund stood at £310,075 (2020: £58,323). This was above the Reserves Policy, due to cautious budgeting assumptions earlier in the year. It is expected that the amounts not needed to fund the Fair by Design commitment will be donated to the Merchant Taylors' Foundation.

**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'

## *The Merchant Taylors' Company Charities Fund*

### TRUSTEES' REPORT FOR THE PERIOD ENDED 31 JULY 2021

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performance taking place, assisted by the Merchant Taylors' Company's Investment Committee.

These risks now reside with the Merchant Taylors' Foundation.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 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 £Nil (2020: £1,598,230) due to the transfer of assets to the Merchant Taylors' Foundation.

The Merchant Taylors' Company made a donation to the Charity for the 7 month period of £36,999 (12 month total 2020: £90,919) 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 Merchant Taylors' Foundation**

The system of 'Livery and Freemen Fund membership-nominated charities' has ended. 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. This activity will be directed through the Merchant Taylors' Foundation.

## **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 Freemen 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*'.

*The Merchant Taylors' Company Charities Fund*

TRUSTEES' REPORT  
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*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 Freemen 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 Freemen Fund was that, if donating to the Livery and Freemen 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 Freemen Fund*

*The Livery and Freemen 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 Freemen Fund
- the capital of the Livery and Freemen 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 Freemen Fund. In its preamble, the Supplemental Deed referred to the capital in the Livery and Freemen Fund as 'endowment'. The Supplemental Deed allowed the Trustees to accumulate income generated by the capital in the Livery and Freemen 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 Freemen 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 Freemen Fund: Endowment Fund***, and that is the name by which it is referred to in this report.

The income of The Livery and Freemen Fund: Endowment Fund comes partly from listed investments, and partly from donations by members of the Merchant Taylors' Company.

*The Livery and Freemen Fund: Income Fund*

That part of the Livery and Freemen Fund which is not the Endowment Fund is known as ***The Livery and Freemen Fund: Income Fund***. Its income in this period comes from investment income, 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.



*The Merchant Taylors' Company Charities Fund*

TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 JULY 2021

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**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.

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FOR THE PERIOD ENDED 31 JULY 2021

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**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 Revd Canon R Godsall
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 Turtington 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 PERIOD ENDED 31 JULY 2021

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**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:

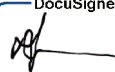
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 20/05/2022 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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*The Merchant Taylors' Company Charities Fund*INDEPENDENT EXAMINER'S REPORT  
FOR THE PERIOD ENDED 31 JULY 2021

I report to the Trustees on my examination of the accounts of The Merchant Taylors' Company Charities Fund (the Charity) for the seven-month period ended 31 July 2021.

**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.

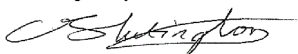
**Independent examiner's statement**

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:

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5/23/2022

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 PERIOD ENDED 31 JULY 2021

		Livery and Freemen Fund				
		Unrestricted	Income	Expendable	7 Month	12 Month
	Note	(General)		Endowment	Total	Total
		fund	fund	fund	2021	2020
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	36,999	57,939	-	94,938	216,008
Investments	3	8	21,180	-	21,188	32,557
Total income and endowments		37,007	79,119	-	116,126	248,564
Expenditure on:						
Raising funds						
Investment management costs		-	-	2,891	2,891	4,986
Fundraising event costs		-	72	-	72	1,542
		-	72	2,891	2,963	6,528
Charitable activities						
Grants	4	-	2,770	1,467,790	1,470,560	58,121
Grant related support costs	5	50,458	428	-	50,886	84,540
		50,458	3,198	1,467,790	1,521,466	142,661
Total expenditure		50,458	3,270	1,470,681	1,524,429	149,189
Net gains / (losses) on investments						
Gains on investments	6	-	(803)	49,295	48,492	124,131
Net (expenditure) / income before transfers		-	(803)	49,295	48,492	124,131
Transfers between funds		138	176,706	(176,844)	-	-
Net movement in funds		(13,313)	251,752	(1,598,230)	(1,358,791)	223,507
Fund balances at 1 January 2021		19,935	58,323	1,598,230	1,676,488	1,452,981
Fund balances at 31 July 2021		6,622	310,075	-	316,697	1,676,488

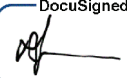
All income and the net movement in funds are derived from continuing activities.  
The notes on pages 15 to 26 form part of these financial statements.

*The Merchant Taylors' Company Charities Fund*BALANCE SHEET  
FOR THE YEAR ENDED 31 JULY 2021

	Note	31 July 2021		31 December 2020	
		£	£	£	£
<b>Fixed assets</b>					
Investments	6	-		1,362,856	
Fair By Design		143,371		163,627	
		<b>143,371</b>		<b>1,526,483</b>	
<b>Current assets</b>					
Debtors	7	38,518		22,266	
Cash at bank		167,812		140,964	
		<b>206,330</b>		<b>163,229</b>	
Creditors: due within one year	8	33,004		13,225	
<b>Net current assets</b>			<b>173,326</b>		<b>150,005</b>
<b>Total assets</b>			<b>316,697</b>		<b>1,676,488</b>
<b>Funds</b>					
Livery and Freemen: Endowment fund	9	-		1,598,230	
Livery and Freemen: Income fund	10	310,075		58,323	
Unrestricted (General) fund	11	6,622		19,936	
	12	<b>316,697</b>		<b>1,676,488</b>	

These financial statements were approved by the Trustees on 20/05/2022

Trustee

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Trustee

Richard Sullivan

The notes on pages 15 to 26 form part of these financial statements.

*The Merchant Taylors' Company Charities Fund*ACCOUNTING POLICIES  
FOR THE PERIOD ENDED 31 JULY 2021

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**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.

*The Merchant Taylors' Company Charities Fund*ACCOUNTING POLICIES  
FOR THE PERIOD ENDED 31 JULY 2021

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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.

**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 performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

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 payment(s), settlement is probable and the effect of discounting is material. The discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Charity.

*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.



*The Merchant Taylors' Company Charities Fund*ACCOUNTING POLICIES  
FOR THE PERIOD ENDED 31 JULY 2021

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Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing all grants are broadly equivalent.

**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.

**1.11 Reporting period**

These financial statements cover a seven-month period, being the period from 1 January 2021 to 31 July 2021, as the Trustees decided to align the reporting period with Bradestrete Services Limited, a wholly owned subsidiary of Merchant Taylors Company, which provides administrative support services to the charity. The comparative figures, including the related notes, are therefore not entirely comparable

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**2 Donations and legacies**

	<b>7 Months 2021</b>	<b>12 Months 2020</b>
	<b>£</b>	<b>£</b>
Donations from Merchant Taylors' Company	36,999	90,919
Donations from individuals	57,939	125,089
	<b>94,938</b>	<b>216,008</b>

**3 Investments**

	<b>7 Months 2021</b>	<b>12 Months 2020</b>
	<b>£</b>	<b>£</b>
Income from listed investments	21,180	32,513
Deposit interest	8	44
	<b>21,188</b>	<b>32,557</b>

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**4 Grants and donations**

	<b>7 Months</b>	12 Months
	<b>2021</b>	2020
	<b>£</b>	£
<i><b>Unrestricted donations</b></i>		
<b>Church &amp; Clergy</b>		
St Michael's Church Cornhill	-	770
St Paul's Church Swanley	-	1,000
St Margaret's Lee	-	1,000
St Helen's Bishopsgate	-	2,000
Friends of St Paul's Cathedral	-	1,000
Chichester Cathedral Restoration & Development Trust	-	
St Paul's Cathedral Choir School	-	1,000
Guildhall School of Music	-	6,000
John Harrison Prize	-	500
The Bespoke Tailors' Benevolent Association	-	5,000
Write off of donations accrued and not paid from 2015		(10,600)
<b>Total unrestricted donations</b>	<b>-</b>	<b>7,670</b>
<b>Livery &amp; Freemen donations</b>		
Magic Breakfast	-	10,000
The Sheriffs' and Recorders' Fund	-	2,000
Bowhaven	-	13,951
St Michael's Church Cornhill	2,500	-
Chichester Cathedral R&D Trust	-	2,500
Invincible Me	-	10,000
Resurgo	-	10,000
Clergy Support Trust	-	2,000
Merchant Taylors' Foundation	1,468,060	-
<b>Total Donations</b>	<b>1,470,560</b>	<b>58,121</b>

During the year, as part of the project to make Merchant Taylors' Foundation the primary focus for donations and grant-making, the Charity donated most of its assets to the Merchant Taylors' Foundation. See the Trustees' report for further details.

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021

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**5 Grant related support costs**

	<b>7 Months</b>	12 Months
	<b>2021</b>	2020
	<b>£</b>	£
Administration costs	41,767	79,116
Insurance	44	485
Bank charges	1,031	1,969
Sundry expenses	1,658	(30)
Governance costs:		
Independent examiner's remuneration:		
-Statutory report – current year	2,000	2,500
-Statutory report – prior year over provision	-	500
Professional fees	4,386	-
	<b>50,886</b>	<b>84,540</b>

Trustees received no remuneration (2020: £nil) and were not reimbursed for any of their expenses in the year (2020: £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 PERIOD ENDED 31 JULY 2021**6 Fixed asset investments**

<b>Listed investments</b>	<b>31 July 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
Market value at 1 January 2021	1,362,856	1,246,811
Add:		
Additions	82,021	24,745
Disposals	(1,431,939)	(51,420)
Movement in cash	(62,233)	54,324
Net realised / unrealised gains	49,295	88,396
<b>Market value at 31 July 2021</b>	<b>-</b>	<b>1,362,856</b>
<b>Social investments</b>	<b>£</b>	<b>£</b>
Fair value at 1 January 2021	163,626	97,159
Add:		
Additions	25,012	30,732
Equalisation payments received	(44,387)	-
Net realised / unrealised gains	(880)	35,735
<b>Fair value at 31 July 2021</b>	<b>143,371</b>	<b>163,626</b>

**7 Debtors**

	<b>31 July 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
Accrued income and tax recoverable	29,844	20,390
Prepayments	480	-
Other debtors	8,194	1,876
	<b>38,518</b>	<b>22,226</b>

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021

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**7 Debtors (continued)**

Other debtors include the following balance with connected parties:

	<b>July 2021</b>	December 2020
	£	£
Bradestrete Services Limited	-	247
Merchant Taylors' Company	8,194	1,629
	<b>8,194</b>	<b>1,876</b>

**8 Creditors: amounts falling due within one year**

	<b>July 2021</b>	December 2020
	£	£
Creditors	23,154	92
Accruals and deferred income	4,500	3,930
Other creditors	5,350	9,203
	<b>33,004</b>	<b>13,225</b>

Other creditors include the following balances with connected parties:

	<b>July 2021</b>	December 2020
	£	£
Bradestrete Services Ltd	-	8,903
Merchant Taylors' Educational Trust	2,500	-
Merchant Taylors' Boones' Charity	2,500	-
Dudley and Geoffrey Cox Charitable Trust	-	300
	<b>5,000</b>	<b>9,203</b>

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**9 Livery and Freeman Fund: Endowment Fund**

	Balance 1 January 2021 £	Income £	Expenditure £	Net gains & transfers £	Balance 31 July 2021 £
Endowment Fund	1,598,230	-	(1,470,681)	(127,549)	-

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

During the year the Trustees of the charity expended the endowment via transfer of assets to the Merchant Taylors' Foundation.

**10 Livery and Freeman Fund: Income Fund**

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

	Balance 1 January 2021 £	Income £	Expenditure £	Net gains & transfers £	Balance 31 July 2021 £
Income Fund	58,323	79,119	(3,270)	175,903	<b>310,075</b>

The Trustees considered the donation of assets to have expended the endowment held and the transfer represents the transfer of remaining funds held there following completion of the donation.

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

**11 Unrestricted (General) Fund**

	Balance 1 January 2021 £	Income £	Expenditure £	Net gains & transfers £	Balance 31 July 2021 £
Unrestricted Fund	19,935	37,007	(50,458)	138	<b>6,622</b>

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021

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**12 Analysis of net assets between funds**

	Livery and Freemen Fund			
	Unrestricted (General) fund	Income fund	Endowment fund	Total
	£	£	£	£
Investments	-	143,371	-	143,371
Net current assets	6,622	166,704	-	173,326
Balance at 31 July 2021	<b>6,622</b>	<b>310,075</b>	-	<b>316,697</b>

**13 Related party transactions**

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the 7 month period on behalf of this Charity amounting to £41,767 (12 month total 2020: £79,116).

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.

During the year the Charity made a significant donation to the Merchant Taylors' Foundation – for further details see note 4 and the Trustees' report.

The balances due to and from the other charities administered by the Merchant Taylors' Company at 31 July 2021 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 £83,448 (2020: £72,109).



*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**15 Comparative information**

	Unrestricted (General) fund £	Livery and Freemen Fund Income fund £	Expendable Endowment fund £	12 Month Total 2020 £
<b>Income and endowments from:</b>				
Donations and legacies	12,215	140,220	63,573	216,008
Investments	44	-	32,513	32,557
<b>Total income and endowments</b>	<b>12,259</b>	<b>140,220</b>	<b>96,086</b>	<b>248,564</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	-	-	4,986	4,986
Fundraising event costs	-	1,542	-	1,542
	-	1,542	4,986	6,528
<b>Charitable activities</b>				
Grants and donations payable	7,670	50,451	-	58,121
Grant related support costs	22,626	61,914	-	84,540
	30,296	112,365	-	142,661
<b>Total expenditure</b>	<b>30,296</b>	<b>113,907</b>	<b>4,986</b>	<b>149,189</b>
<b>Net gains on investments</b>				
Realised & Unrealised gains	-	-	124,131	124,131
<b>Net movement in funds</b>	<b>(18,037)</b>	<b>26,314</b>	<b>215,231</b>	<b>223,507</b>
Fund balances at 1 January 2020	37,973	32,009	1,382,999	1,452,981
<b>Fund balances at 31 December 2020</b>	<b>19,936</b>	<b>58,323</b>	<b>1,598,230</b>	<b>1,676,488</b>

*The Merchant Taylors' Company Charities Fund*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**15 Comparative information (continued)**

	Balance 1 January 2020 £	Income £	Movement in fund		Balance 31 December 2020 £
			Expenditure £	Net gains £	
Livery and Freemen Fund: Endowment Fund	1,382,999	96,086	(4,986)	124,131	<b>1,598,230</b>

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 Freemen Fund: Income Fund**

	Balance 1 January 2020 £	Income £	Movement in fund		Balance 31 December 2020 £
			Expenditure £		
Livery and Freemen Fund: Income Fund	32,009	140,220	(113,907)		<b>58,323</b>

**Unrestricted (General) Fund**

	Balance 1 January 2020 £	Income £	Movement in fund		Balance 31 December 2020 £
			Expenditure £		
Unrestricted (General) Fund	37,973	12,259	(30,296)		<b>19,936</b>

Split of Assets	Unrestricted (General) 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	<b>19,936</b>	<b>58,323</b>	<b>1,598,230</b>	<b>1,676,488</b>