

Registered Charity Number: 1161568

THE MERCHANT TAYLORS' FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022

The Trustees submit their report and financial statements for the year ended 31 July 2022.

The financial statements 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 (Charities SORP (FRS102)) and with the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the Charity are:

- 1) to advance the education of the public generally and in particular, but not limited to, founding educational establishments and assisting schools, universities and other educational bodies in such ways as the Charity Trustees think fit, including:
 - a. the provision of bursaries, scholarships, fellowships, lectureships and prizes;
 - b. the improvement of amenities;
 - c. the reduction of fees; and
 - d. the provision of free education.
- 2) such other objects and purposes in any part of the world as are exclusively charitable in accordance with the laws of England and Wales.

Aims and Objectives, Strategy and Activities

Context

The Charity's grant-making focus is education and tackling disadvantage. These aims are explained in greater detail below.

The Charity is the main fundraising focus for members and apprentices of The Merchant Taylors' Company, a City of London livery company.

Advancement of Education

The Charity **aims** to:

- facilitate the best possible learning opportunities, especially for disadvantaged young people
- promote 'whole-person education'
- engage members of the Merchant Taylors' Company in education, through volunteering and other giving, for the benefit of students at the educational institutions with which the Company is associated.

Its **strategy** in this area is to make grants, and promote extra-curricular opportunities through volunteering by Company members, primarily for the benefit of young people at the schools, educational institutions and education-related charities with which the Company has links:

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City & Guilds

Foyle College (Londonderry)

Guildhall School of Music and Drama (London)

London Music Fund

Mansion House Scholarship Scheme

Merchant Taylors' School (Crosby)

Merchant Taylors' Oxfordshire Academy Trust

Merchant Taylors' Prep (Northwood)

Merchant Taylors' School (Northwood)

No Going Back

Norland College (Bath)

Pembroke College (Cambridge)

St Catharine's College (Cambridge)

St Helen's School (Northwood)

St John's College (Oxford)

St John's School (Northwood)

St Paul's Cathedral School (Westminster)

St Saviour's & St Olave's School (Southwark)

Slade School of Fine Art (London)

The King's School (Macclesfield)

The Smallpeice Trust (Arkwright Scholarships)

Wolverhampton Grammar School

The **significant activities undertaken** to further the strategy in the reporting period were:

- **grant-giving**, with a focus on transformational bursaries and scholarships, targeting hardship and supporting education in prisons
- the "**Engage with Education**" scheme, through which Company members volunteer to offer internships, university-choice help, expert-led extra-curricular activities, etc., to schools and their pupils. Currently more than 100 Company members are enrolled in the scheme.

The **Trustees' policy on grant-making** in the area of education is that:

- Applications for its major funding streams are solicited from the schools, institutions and charities with which the Company has links, and are assessed in a competitive process.
- A small amount of funding is set aside to support occasional unsolicited applications from other institutions.

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- Applications for transformational bursaries and scholarships are solicited from the independent schools with which the Company has links.
- Applications for 'hardship' funding are solicited from state-maintained schools with which the Company has links.

The **Charity measures success in educational grant-making** by whether the grant achieves what the applicant said it would at the point of application, subject to any reasonable adjustments due to the Covid-19 pandemic or other event outside the institution's control. The application process requires the applicant to state the expected impact if a grant is awarded, unless the impact is self-explanatory.

The Charity **measures success in the Engage with Education volunteering scheme** by whether the volunteering activities provide valuable opportunities to students which they would be unlikely to have if the scheme did not exist.

Tackling Disadvantage

The Charity **aims** to tackle disadvantage in the London boroughs of Hackney, Lewisham, Southwark and Tower Hamlets. This furthers its **charitable object** of "such other objects and purposes in any part of the world as are exclusively charitable in accordance with the laws of England and Wales."

During the reporting period, its **strategy** in this area was to make grants to charities to tackle the effects of disadvantage. The aim is to change lives through funding other charities which are already well placed to deliver relevant services or projects in those areas.

The **Trustees' policy on grant-making** in the area of 'Disadvantage' is:

- To operate a reactive Small Grants Scheme for charities tackling disadvantage in the London boroughs of Hackney, Lewisham, Southwark or Tower Hamlets. Applications must be made via an online form, and charities should not apply without reading the detailed guidance on the website of the Merchant Taylors' Company. Priority is given to charities which operate exclusively in one or more of the boroughs named above. Charities which also have operations outside those boroughs should contact the Charity to discuss whether it would be appropriate for them to make an application.
- To make a small number of larger grants in Lewisham and Southwark under a Proactive Grants Scheme. It is not possible to apply for funding under this Scheme since grants are at the Trustees' initiative, not in response to applications.

The **significant activities undertaken** to further the strategy in the reporting period were:

- Grants to charities under the Small Grants Scheme and run-off multi-year grants under grant relationships taken over from a sister charity which donated assets to the Charity in the previous financial period. Details can be found in Note 3 to the Financial Statements under 'Small Grants Scheme' and 'Other'.
- Entering into collaboration agreements which include significant grant-funding, under the Proactive Scheme:
 - Depaul UK – work to prevent youth homelessness in Southwark and Lewisham
 - Construction Youth Trust – a Lewisham Hub to expose young people aged 14-19 to opportunities in the construction industry.

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- One Southwark – funding the research element of this innovative programme to provide young people in Southwark with contacts, know-how and funding to progress to meaningful careers.

The Charity also made an exceptional grant to the Disasters Emergency Committee's Ukraine Appeal.

The Charity Visits **volunteering scheme**, in which 128 Company members are enrolled, involves Company members visiting charities which apply for funds and reporting their findings back to the Charity, as part of the due diligence leading up to a decision whether to make a grant. See 'Achievements and Performance' for further detail.

The Charity **measures success in its Small Grants Scheme** by whether the grant achieves what the grantee said it would at the point of application. The grant-making process requires the grantee to state the expected impact if a grant is awarded.

The Charity **measures success under its Proactive Scheme** through key performance indicators and impact measures set out in the relevant collaboration agreement.

The Charity **measures success in the Charity Visits volunteering scheme** by whether the due diligence reports provided by the visitors significantly assist the Charity in making a decision on whether to grant funds, typically by obtaining answers to questions which the Charity was left with after considering the online application or by clarifying things which the applicant wrote in the application form.

Grant-making to meet the impact of the COVID-19 pandemic

The Charity **aims** to tackle the broad social repercussions of the pandemic through grant-making.

The Charity's **strategy**, and **significant activity undertaken** pursuant to the strategy, was to make grants to charities and schools to help them assist people particularly hard hit by the pandemic. During the period, the Charity spent down the part of the Designated Covid Fund relating to education, and the Coronavirus Appeal fund. It continued its grant to The Feast Youth Project under the 'disadvantage' part of the Designated Covid Fund.

The Charity **measures success in its grant-making** from the Designated Covid Fund by whether the grant achieves what the grantee said it would during the assessment process, subject to any reasonable adjustments due to the COVID-19 pandemic.

The Charity's **policy on grant-making** for the remainder of the 'disadvantage' part of the Designated Covid Fund is to spend down that part of the Fund under the existing grant relationship with The Feast Youth Project (subject to compliance with the terms and conditions of grant).

Miscellaneous grants

The Charity **aims** to make a limited number of relatively small grants outside its programmes to advance education and tackle disadvantage. Its **strategy** is to make these exclusively to a number of churches and other charities with historic links to the Merchant Taylors' Company. The **significant activity** during the financial period was to make grants to the grantees set out in Note 3 to the Financial Statements under the heading 'Miscellaneous (other grants from unrestricted funds)'.

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In most cases these grants are unrestricted and therefore can be used by the grantee for any activity within its charitable objects. Accordingly, the Charity does not normally use a **measure of success** for this strand of grant-making. In the rare cases where the grant is for a specific project, the Charity measures success by whether the grant achieves what the grantee said it would at the point when the grant was made.

The Trustees' **policy on grant-making** under this strand is that grants are only made to churches and other charities which have been identified as having historic links to the Merchant Taylors' Company, or in very rare cases to one-off causes which the Charity of its own motion has identified as having particular value. The Charity does not accept any applications or respond to any enquiries about the possibility of funding from this strand.

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'.

ACHIEVEMENTS AND PERFORMANCE

Advancement of Education

The Charity awarded two new transformational bursary/scholarship grants, to one student at each of The King's School in Macclesfield and Wolverhampton Grammar School, adding to those that continue to be awarded to pupils at Merchant Taylors' Girls' School in Crosby and St Paul's Cathedral School. The intention with these grants is that, in addition to a life-changing educational impact on the individual beneficiary, the Charity will build stronger relationships with the institutions they attend.

A variety of other grants included:

- Supporting Science, Technology, Engineering and Mathematics aptitude in schools, via a grant to The Smallpeice Trust to fund Arkwright Scholarships and, specifically in state-maintained schools, the delivery of Year 9 STEM Days.
- Grants to three charities to develop skills and work-readiness among prisoners and former prisoners.
- Supporting talented young musicians in deprived London boroughs through London Music Fund scholarships.

The Charity disbursed funds from the Covid-19 Education Impact Fund (the education-focused element of its Designated Covid Fund) totalling £154,480, for a variety of projects including digital learning, therapy resource and outdoor-space regeneration. Applications to this Fund are by invitation only.

Volunteers in the Engage with Education scheme provided the following opportunities to students from state-maintained schools with links to the Merchant Taylors' Company:

- Mentoring students to participate in the Livery Academy Awards and the Sheriffs' Challenge, competitions that require teams of secondary school students to present, respectively, business ideas and an oral argument to a panel of expert judges.
- Providing work-experience and internship opportunities for students in settings including legal

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- chambers, a government relations consultancy and a green investment business.
- An Aspiring Medics programme for students in Years 12 and 13 at St Saviour's and St Olave's School who are interested in a career in medicine.

Tackling Disadvantage

Under its Proactive Scheme, the Charity made major grants totalling £235,773 to Construction Youth Trust, Depaul UK and United St Saviour's Charity (One Southwark project) pursuant to agreements to tackle disadvantage amongst young people in Southwark and Lewisham in innovative ways.

Under the Small Grants Scheme, the Charity made small grants totalling £145,747 to 31 charities for the benefit of people in Hackney, Lewisham, Southwark and Tower Hamlets.

The Charity made an exceptional grant of £110,607 to the Disasters Emergency Committee for its Ukraine Appeal.

The Charity made grants totalling £58,907 to seven charities in the context of existing funding relationships between the grantees and the Charity's sister charity Merchant Taylors' Consolidated Charities for the Poor ('MTCCPoor'), which donated a significant part of its assets to the Charity in 2021. Again, these were primarily for the benefit of people living in Hackney, Lewisham, Southwark and Tower Hamlets. These grants are listed under 'Other' in Note 3 to the Financial Statements.

The Charity made a grant of £35,000 to The Feast Youth Project from the 'disadvantage' part of its Designated Covid Fund, supporting The MTF Feast Hub to promote inter-religious friendship and understanding among young people in Tower Hamlets.

Miscellaneous grants

The Charity made grants totalling £22,000 to the ten grantees set out in Note 3 to the Financial Statements under the heading 'Miscellaneous (other grants from unrestricted funds)'.

Fundraising activities and fundraising standards

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.

The Charity is registered with the Fundraising Regulator and has adopted its Code of Fundraising Practice. The Trustees are **not aware of any failure to comply with the Code** during the reporting period.

The Charity's **approach** to fundraising is as follows.

The Charity conducts 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.

The background is the Company's vision, well publicized to members, of philanthropy as an important aspect of Company membership.

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The Charity does not work with commercial participators or engage professional fundraisers.

Fundraising communications are in the form of:

- An annual Merchant Taylors' Foundation impact report magazine detailing the work of the Charity and the contribution of Company members, and encouraging members to donate and leave legacies.
- Incidental reminders to Company members of the benefit to the Charity of regular donations and legacies, typically in the context of articles about the Charity's activity within the Company's regular magazine about all aspects of life connected with the Company.
- Where Company members have asked for the Charity's particulars in order to draft a legacy in a will, the Charity has provided them.

The Trustees are **not aware of any complaints** made in respect of fundraising during the year.

The Charity has taken the following steps to **protect vulnerable people and others from unreasonable intrusion on their privacy**, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising:

- Following the Code of Fundraising Practice at all times, including its provisions on these matters, not least the principles in Part 1 'Behaviour When Fundraising'.
- In particular, during the reporting period the Trustees are not aware of any occasions when the Charity had good reason to believe that a donor lacked capacity to make a decision to donate, or was vulnerable so as to be unable to make an informed decision.
- The Charity is also mindful of the Chartered Institute of Fundraising's guidance 'Treating Donors Fairly', and its four key principles of Respect, Fairness, being Responsive and Accountable.

FINANCIAL REVIEW

Investment powers and policy

During the financial period, the Trustees consolidated the previously separate funds within their investment portfolio into a single fund, described below.

The Trustees conducted a review of investment policy which began in the financial period and ended after the period. The outcome of the review was as follows.

The fund continues to be managed on a discretionary basis, and has a balanced mandate meaning it is managed for a combination of income and capital growth.

The Trustees adopted the investment manager's Responsible Investment Policy as their Environmental, Social and Governance policy for the portfolio.

The Trustees adopted a "total return" regime with effect from 1 August 2022, whereby every year the Charity will draw down a percentage of the value of its investment portfolio as averaged over a retrospective period. The Charity will therefore be drawing on an element of capital growth, as opposed to receiving only the natural income from the portfolio. The purpose is to reduce the impact of market fluctuations on the Charity's grant-making.

The Charities (Total Return) Regulations 2013 and associated Charity Commission guidance comprise a framework to ensure that the Trustees set the percentage drawdown rate at a level compatible with their duty to make prudent use of the Charity's assets. This includes reviewing that rate with the Charity's investment manager at least annually.

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The Merchant Taylors' Foundation Fund

This is a fund for investors with a relatively high-risk tolerance, with a 10 year plus time horizon and the capacity to suffer a temporary or permanent capital loss. The fund's primary objective is to achieve CPI + 4% per annum over the investment cycle. This fund is also benchmarked against a composite index of growth-oriented funds.

Investment Performance

The investment income in the year for the Charity was £380,972 (7 month total 2021: £75,454).

The total return on the Merchant Taylors' Foundation Fund was -5.1%, which was below the total return on the secondary benchmark (a composite index) of 2.2% and below the primary benchmark of RPI + 3.5% per year over the investment cycle. This was due to the volatility in the markets in the year arising from wider economic and political events.

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 a significant risk. The Charity mitigates against the risk by proportionate due diligence on grant applications to verify the applicant's identity and to check that any funds awarded will be used for the stated purpose. In most cases this includes a visit in person or by online video service, and telephone contact in addition to paper/online based checks against documents in the public domain. The Charity also takes proportionate steps, for example grant reports, to check that grants have been used for the purpose for which they were awarded

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

The Trustees are aware that safeguarding is a high priority for the charity sector as a whole. The Charity makes grants to schools and educational institutions which have their own rigorous safeguarding procedures.

In relation to its Small Grants Scheme, the Charity requires applicant organizations to consider the following statements:

- "Your child protection and/or vulnerable adult safeguarding policies are current and that relevant staff and volunteers are adequately trained about them"
- "All staff and volunteers working with children or vulnerable adults have had a Disclosure and Barring Service (DBS) check".

The responses allowed by the application form are 'No', 'Yes' or 'The charity does not work with children or vulnerable adults'. An application is not allowed to proceed if the applicant answers 'No'.

In relation to the Charity's Proactive Scheme to tackle disadvantage, safeguarding is discussed thoroughly with the prospective partner organization during the due diligence stage of negotiating

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the collaboration agreement. The Charity's approach to this exercise is informed by the *Safeguarding Framework for Foundations* published by the Funder Safeguarding Collaborative and the Association of Charitable Foundation. The prospective partner explains its approach to keeping people safe, including the specific safeguarding risks associated with its mission, core activities and any new activities which would arise from collaboration with the Charity. The prospective partner is also required to disclose any Serious Incident Notifications to the Charity Commission which it has made within the previous five years.

The Trustees believe that the above measures represent a proportionate approach for a grant-making foundation of the size of the Charity, given that the Charity does not have statutory powers of investigation.

Compliance with fundraising standards is dealt with under 'Achievements and Performance'.

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

At the end of the reporting period, the Charity's **total funds** amounted to £16,936,236 (2021: £17,742,077). The individual fund balances were as follows:

The **Unrestricted Fund** £2,727,289 (2021: £2,508,500) comprising:

- General Funds £352,919 (2021: £391,372)
- Designated Covid Fund £96,780 (2021: £286,260)
- Designated Education Committee Fund £Nil (2021: £Nil)
- Designated Education Capital Fund £2,277,590 (2021: £1,830,868)

The **Endowment Funds** £13,175,532 (2021: £14,267,952). This comprises an endowment of £64,503 (2021: £111,565) for the objects of the Charity (see explanation of the objects earlier in this report), and a 'Disadvantage fund' permanent endowment of £13,111,029 (2021: £14,156,387).

Restricted Funds not available for general purposes of the Charity £1,033,415 (2021: £965,625). The restrictions attaching to these funds are set out in full in Note 10 to the Financial Statements.

Likely timing of expenditure of Designated Funds

The purposes of the Designated Funds are explained in Note 11 to the Financial Statements.

The Designated Covid Fund is likely to be spent down over the next four years, serving an ongoing funding relationship with The Feast to support The MTF Feast Hub. The Designated Education Committee Fund as a classification is likely to continue until further notice, with an annual pattern of fresh income then expenditure down to £Nil on grant-making to advance education, as was the case in the year covered by this report. The Trustees are likely to hold the Designated Education Capital Fund for at least ten years.

Reserves policy

The amount of reserves at the end of the reporting period was £352,919 (2021: £391,372), after making allowance for any restricted funds, designated funds, commitments to be met from unrestricted reserves (not provided for as a liability in the accounts) or the carrying amount of functional assets which the Charity considers to represent a commitment of the reserves it holds.

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Of this sum, £290,418 (2021: £108,594) was in the form of net current assets, with the remainder held in the investment portfolio.

After the end of the reporting period, the Trustees revised their reserves policy as follows. The Trustees consider it is not necessary for the Charity to hold any free and liquid reserve in unrestricted or undesignated funds. They consider this appropriate due to a number of factors including:

- A desire not to hold large amounts of cash which will lose 'real' value over time due to inflation.
- The relative predictability and dependability of several of the undesignated/unrestricted income streams.
- The relatively low level of multi year commitments compared to unrestricted/undesignated income.
- The ability to increase or decrease activity on an annual basis to take account of funds available.

The Charity no longer holds a cash reserve in undesignated and unrestricted funds.

FUTURE PLANS

The Charity is reviewing its streams of grant-making from its Designated Fund Education Committee, and plans to launch a legacies fundraising campaign aimed at members of the Merchant Taylors' Company.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed by a Trust Deed dated 17th February 2015, as amended with effect from April 2020 and from June 2021.

Appointment of Trustees

The Trustees are appointed and removed by the Court of The Merchant Taylors' Company. This recognizes that the Court has a better longer-term overview than the Trustees alone could manage, of the skills and experience to be found across the Company's whole membership which is the pool from which Trustees are drawn. All current Trustees are members of the Merchant Taylors' Company.

Induction and training of Trustees

The Trustees are currently reviewing the governance arrangements of the Charity, including the process for induction of new Trustees. Trustees are also invited to training seminars organized by the Charity's investment managers. In addition, the Charity has joined the National Council of Voluntary Organisations, through which Trustees have access to other training opportunities.

Trustees have access to the governing documents; previous minutes, policies, and other key documentation; and to Charity Commission guidance. They are also supported by a qualified and experienced staff based at Merchant Taylors' Hall.

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Management personnel

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

Decision-making and delegation

The Trustees are supported in their decision-making in the following areas by Committees of the Merchant Taylors' Company, whose members are drawn from members of the Merchant Taylors' Company and selected for their particular interest in, and/or experience of, the relevant areas:

- Grant-making to advance education (the Company's Education Committee)
- Grant-making to tackle disadvantage (the Company's Charities Committee)
- Investments (the Company's Investment Committee).

Related parties

The Trustees are all members of the Merchant Taylors' Company, which administers this Charity through its wholly owned subsidiary Bradestrete Services Limited.

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 Trustees or, if so delegated, by members of the separate Education Committee or Charities Committee as appropriate, the Trustees do not believe that such connections impact on the grant-making process.

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REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	The Merchant Taylors' Foundation
REGISTERED CHARITY NUMBER:	1161568 (registered with the Charity Commission for England and Wales)
ADDRESS:	30 Threadneedle Street London EC2R 8JB
TRUSTEES:	Mr C M Keville Mr R H C Nourse (Chair) Ms L Gillott Mr P T E Massey Mr R Sullivan Mrs S Morgan Revd Canon R Godsall Mr D Jackson Mr R Bull
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland plc 60-62 Threadneedle Street London EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London EC2M 7AZ
INDEPENDENT AUDITORS:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD

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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;
- 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 Trust Deed. 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
and signed on their behalf:

24/04/2023

Signature: 898CFBC10B26463...

Trustee: R H C Nourse

THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

Opinion

We have audited the financial statements of The Merchant Taylors' Foundation for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or

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otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

We assessed the susceptibility of the Charity's financial statements to material misstatement and how fraud might occur, including through discussions with representatives of the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Charity by discussions with representatives of the Trustees and updating our understanding of the sector in which the Charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2022

Use of our report

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

DocuSigned by:

Saffery Champness LLP

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Saffery Champness LLP

71 Queen Victoria Street

London

Chartered Accountants

EC4V 4BE

Statutory Auditors

Date: 4/25/2023

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

THE MERCHANT TAYLORS' FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted fund £	Restricted fund £	Endowment fund £	12 Month Total 2022 £	7 Month Total 2021 £
Income and endowments from:						
Donations and legacies	2	985,965	330,000	-	1,315,965	16,585,217
Other income		775	-	-	775	780
Investments		38,095	342,877	-	380,972	75,454
Total income		1,024,835	672,877	-	1,697,712	16,661,451
Expenditure on:						
Raising funds						
Investment management costs		7,339	681	62,371	70,391	22,683
Charitable activities						
Grants	3	398,425	583,034	-	981,459	422,389
Grant related support costs	4	209,453	435	-	209,888	98,860
Educational Activities	5	41,536	-	-	41,536	645
		649,414	583,469	-	1,232,883	521,894
Total expenditure		656,753	584,150	62,371	1,303,274	544,577
Net (losses)/gains on investments		(149,293)	(20,937)	(1,030,049)	(1,200,279)	503,192
Net income/(expenditure)		218,789	67,790	(1,092,420)	(805,841)	16,620,066
Net movement in funds		218,789	67,790	(1,092,420)	(805,841)	16,620,066
Fund balances at 1 August 2021		2,508,500	965,625	14,267,952	17,742,077	1,122,011
Fund balances at 31 July 2022		2,727,289	1,033,415	13,175,532	16,936,236	17,742,077

The accounting policies and notes on pages 23 to 37 form part of these financial statements.

THE MERCHANT TAYLORS' FOUNDATION

BALANCE SHEET
AS AT 31 JULY 2022

	Note	31 July 2022		31 July 2021	
		£	£	£	£
Fixed assets					
Investments	6		15,292,979		16,133,590
Current assets					
Debtors	7	426		30,988	
Stock		-		2,431	
Cash at bank		1,898,304		1,655,582	
		1,898,730		1,689,001	
Creditors: due within one year	8	255,473		80,514	
Net current assets			1,643,257		1,608,487
Total assets			16,936,236		17,742,077
Funds					
Endowment	9		13,175,532		14,267,952
Restricted	10		1,033,415		965,625
Unrestricted	11		2,727,289		2,508,500
	12		16,936,236		17,742,077

These financial statements were approved by the Trustees on 24/04/2023

Signature: 
Trustee: R H C Nourse

THE MERCHANT TAYLORS' FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	31 July 2022	31 July 2021
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	647,992	1,695,911
Cash flows from investing activities:		
Proceeds from sale of investments	2,213,307	415,173
Purchase of investments	(2,392,817)	(325,428)
Net cash (used in)/provided by investing activities:	(179,510)	89,745
Change in cash and cash equivalents in the reporting period	468,482	1,785,656
Cash and cash equivalents at the beginning of the year	1,951,892	166,236
Cash and cash equivalents at the end of the year (note 14)	2,420,374	1,951,892
	2022	2021
	£	£
Cash flows from operating activities		
Net income for the reporting period	(805,841)	16,620,066
Adjustments for:		
Losses/(gains) on investments	1,245,881	(525,703)
Foreign exchange revaluation	4,863	-
(Donations) of investments	-	(14,913,089)
Decrease in debtors	30,562	470,789
(Increase)/decrease in stock	(2,431)	73
Increase in creditors	174,958	43,776
Net cash generated by operating activities	647,992	1,695,911

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1. Accounting Policies**Charity information**

The Merchant Taylors' Foundation is registered with the Charity Commission for England and Wales (registered number 1161568). The registered address is 30 Threadneedle Street, London, EC2R 8JB.

Basis of preparation

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) (Second edition) (Charities SORP (FRS 102)) and the Charities Act 2011.

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.

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 key accounting estimates and judgements which have the most significant impact on the financial statements are set out in the accounting policies below:

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

Income

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.

Donation income is recognised when their receipt is probable.

Income from investments is recognised when received.

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 (including investment property) and raising investment income.

Support costs are allocated in line with the level of support time required for each fund.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Grants

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.

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.

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.

Financial Instruments

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

Critical Accounting Judgements and Estimates

The preparation of the Charity's financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience.

Reporting period

These financial statements cover a twelve month period, being the period from 1 August 2021 to 31 July 2022, with the comparative figures covering a seven-month period, being the period from 1 January 2021 to 31 July 2021. There was a short accounting period for 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.

Funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as a restricted fund or an endowment fund. Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**2. Income****Donations and legacy income:**

	12 Months	7 Months
	2022	2021
	£	£
Unrestricted		
Merchant Taylors' Company	802,920	226,599
Sir Thomas White's Charity	34,399	32,793
Merchant Taylors' Educational Trust	-	30,000
Merchant Taylors' Company Charities Fund	37,455	1,468,030
The Marler Trust	4,000	-
Legacy income	-	117,509
Other Donations	107,191	26,340
	985,965	1,901,271
Restricted		
Merchant Taylors' Educational Trust	30,000	-
Merchant Taylors' Consolidated Charities for the Poor	300,000	912,386
	330,000	912,386
Endowment		
Merchant Taylors' Consolidated Charities for the Poor	-	13,771,560
Total	1,315,965	16,585,217

The income received in 2021 from the Merchant Taylors' Company Charities Fund and Merchant Taylors' Consolidated Charities for the Poor was received as part of the ongoing project to consolidate charitable activities in the Merchant Taylors' Foundation.

3. Grants paid

	12 Months	7 Months
	2022	2021
	£	£
Disadvantage (from restricted funds)		
Proactive Stream		
Construction Youth Trust	100,000	-
Depaul UK	97,053	-
United St Saviour's Charity (One Southwark)	38,720	-
	235,773	-

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Small Grants Scheme	12 Months	7 Months
	2022	2021
	£	£
Acheinu Cancer Support	500	-
Blackfriars Settlement	3,000	-
Clapton Common Boys Club	2,000	-
Four Corners	4,800	-
Friends of One Tower Bridge Road	500	-
Get Set Girls	2,000	-
Goldstar Creative Marketing	2,000	-
Hackney Caribbean Elderly Organisation	4,000	-
Hackney Doorways	5,000	-
Hackney Playbus	10,000	-
Half Moon Young People's Theatre	7,040	-
InSpire at St Peter's	10,000	-
Island House Community Centre	10,000	-
Lewisham Music	4,900	-
Link Age Southwark	5,000	-
Made In Hackney	5,000	-
Maya Productions	5,000	-
New Future Collective	5,570	-
Peninim	5,000	-
Lewisham Local (formerly Rushney Green Time Bank)	3,729	-
The Z.S.V. Trust	1,000	-
Stepney Community Trust	4,960	-
Streets of Growth	5,000	-
Team Up for Social Mobility	4,500	-
The Bow Foodbank	2,500	-
The Community Hub	2,000	-
Tower Hamlets Education Business Partnership	3,302	-
Urban MBA	9,946	-
Vallance Community Sports Association	5,000	-
Xenia	5,000	-
Young Lewisham Project	7,500	-
	145,747	-

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Other	12 Months 2022 £	7 Months 2021 £
Core Arts	-	19,300
Disasters Emergency Committee (Ukraine)	110,607	-
Hotline Meals Service	-	12,600
Irish Chaplaincy	9,800	9,900
MediCinema	6,407	7,600
Merchant Taylors' Consolidated Charities for the Poor	-	6,657
North London Action for the Homeless	-	19,800
Room to Heal	5,800	-
Sense	-	5,000
Blue Ribbon Foundation	12,300	12,400
The Change Foundation	-	9,800
The Country Trust	9,800	9,900
The Maypole Project	10,000	10,000
Toucan Employment	4,800	4,900
Waterloo Action Centre	-	7,967
Resources for Autism	-	19,800
	169,514	155,624
Education (from restricted funds)		
The King's School Macclesfield	15,000	-
Slade School of Fine Art	2,000	-
Wolverhampton Grammar School	15,000	-
	32,000	-
Total grants from restricted funds	583,034	157,624

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Disadvantage (from unrestricted funds)	12 Months 2022	7 months 2021
The Feast Youth Project	35,000	4,882
	35,000	4,882
Education (from unrestricted funds)		
Smallpeice Trust (Arkwright Scholarships)	14,895	11,250
City & Guilds	5,000	5,000
Merchant Taylors' School (Crosby)	16,600	17,700
Fine Cell Work	5,000	-
Foyle College	2,960	24,550
John Harrison Prize	-	200
The King's School Macclesfield	-	50
Sir Stephen Jenyns Prize	-	600
Mansion House Scholarship Scheme	5,000	5,000
Merchant Taylors' Oxfordshire Academy Trust	85,987	97,210
Merchant Taylors' School (Northwood)	-	11,365
Pembroke College	10,000	10,000
St Helen's School	-	10,050
St John's School	10,000	50
St Paul's Cathedral School	12,000	12,000
St Saviour's & St Olave's School	133,383	32,469
The Mercers' Company (No Going Back)	25,000	-
The Skinners' Company (Becket Pageant)	5,000	-
University of the Arts London (Making for Change)	5,000	-
Wolverhampton Grammar School	600	50
London Music Fund	5,000	6,000
UK Fashion & Textile Association	-	12,500
Miscellaneous donations	-	3,000
	341,425	259,044

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**Miscellaneous (from unrestricted funds)**

City of London Corporation (Afghan Appeal)	9,000	-
Clergy Support Trust	2,000	-
The Lord Mayor's Appeal	3,000	-
St Michael's Cornhill	500	839
The Sheriffs' and Recorders' Fund	2,000	-
St Helen's Bishopsgate	2,000	-
St Margaret's Lee	1,000	-
St Paul's Cathedral Foundation	1,000	-
St Paul's Swanley	1,000	-
Switch 180	500	-
	22,000	-
Total grants from unrestricted funds	398,425	264,765
Total grants paid in year	981,459	422,389

4. Grant related support costs

	12 Months	7 Months
	2022	2021
	£	£
Administration costs	175,077	90,462
Event costs	5,163	-
Insurance	520	286
Bank charges	1,392	834
Governance costs :		
Audit fee	12,000	6,960
Audit fee – under provision	11,880	-
Legal & professional fees	3,856	318
Total	209,888	98,860

Trustees received no remuneration (2021: £nil) and were not reimbursed for any of their expenses in the year (2021: £nil). The Charity had no employees during the current or prior year.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**5. Educational Activities**

	12 Months	7 Months
	2022	2021
	£	£
Livery Academy Awards	30,643	-
Design competition	7,585	-
School lunch	1,483	-
Photography competition	500	-
Sheriffs' Challenge	295	-
Quiz	1,030	645
Total	41,536	645

6. Investments

	July 2022	July 2021
	£	£
Valuation at 1 August 2021	16,133,590	496,251
Transferred from other charities	-	14,913,089
Additions	2,392,817	325,428
Disposals	(2,213,307)	(415,173)
Market value (losses)/gains	(1,245,881)	525,433
Movement in investment cash	225,760	288,562
Valuation at 31 July 2022	15,292,979	16,133,590

Investment by type:

	July 2022	July 2021
	£	£
Equities	13,912,615	15,837,280
Bonds	858,294	-
Cash	522,070	296,310

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**7. Debtors**

	July 2022	July 2021
	£	£
Other debtors	-	30,508
Prepayments and accrued income	426	480
Total	426	30,988

8. Creditors

	July 2022	July 2021
	£	£
Other creditors	31,570	51,855
Grants payable	197,053	-
Accruals	26,850	28,659
Total	255,473	80,514

Balances with connected parties:

Bradestrete Services Limited	31,525	48,658
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At year-end the Charity had grant commitments totalling £858,340 (2021: £89,800) that have not been recognised as liabilities as they were subject to performance conditions which had not been satisfied at year-end.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**9. Permanent Endowment fund**

	Balance 1 August 2021	Income	Expenditure	Investment loss	Balance 31 July 2022
	£	£	£	£	£
Original fund	111,565	-	(1,480)	(45,582)	64,503
Disadvantage fund	14,156,387	-	(60,891)	(984,467)	13,111,029
	14,267,952	-	(62,371)	(1,030,049)	13,175,532

Prior year comparative

	Balance 1 January 2021	Income	Expenditure	Investment gains	Balance 31 July 2021
	£	£	£	£	£
Original fund	104,311	-	(309)	7,563	111,565
Disadvantage fund	-	13,771,560	(19,840)	404,667	14,156,387
	104,311	13,771,560	(20,149)	412,230	14,267,952

In the prior period to 31 July 2021 the Charity received a transfer of £13,771,560 from Merchant Taylors' Consolidated Charities for the Poor as part of a programme of consolidation of philanthropic activities across charities related to the Merchant Taylors' Company.

The original endowment fund was acquired on registration in 2015. Income derived from this is applied in line with the charity's objects.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

10. Restricted funds

	Balance 1 August 2021	Income	Expenditure	Investment gains and transfers	Balance 31 July 2022
	£	£	£	£	£
Pocock fund	143,210	2,421	(2,681)	(20,937)	122,013
Education - bursaries	-	30,000	(30,000)	-	-
Relief of disadvantage	822,415	640,456	(551,469)	-	911,402
Restricted funds	965,625	672,877	(584,150)	(20,937)	1,033,415

Prior year comparative

	Balance 1 January 2021	Income	Expenditure	Investment gains and transfers	Balance 31 July 2021
	£	£	£	£	£
Pocock fund	130,744	1,460	(2,555)	13,561	143,210
Relief of disadvantage	-	980,421	(158,006)	-	822,415
Restricted funds	130,744	981,881	(160,561)	13,561	965,625

Pocock fund is for the purpose of funding scholarships at the Slade School of Fine Art or to make grants to encourage the study of art abroad by pupils of Merchant Taylors' School.

The Relief of Disadvantage fund relates donations given from Merchant Taylors' Consolidated Charities for the Poor for the benefit of those who are in need by reason of age, ill health, disability, financial hardship or other disadvantage. During the 7-month period ending July 2021 the Merchant Taylors' Consolidated Charities for the Poor donated the majority of its assets to the Merchant Taylors' Foundation.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**11. Unrestricted funds**

	Balance 1 August 2021 £	Income £	Expenditure £	Investment gains and transfers £	Balance 31 July 2022 £
Designated funds					
Covid fund	286,260	-	(189,480)	-	96,780
Education committee fund	-	150,999	(228,481)	77,482	-
Education capital fund	1,830,868	680,836	(7,339)	(226,775)	2,277,590
General funds	391,372	193,000	(231,453)	-	352,919
Unrestricted funds	2,508,500	1,024,835	(656,753)	(149,293)	2,727,289

Prior year comparative

	Balance 1 January 2021 £	Income £	Expenditure £	Investment gains and transfers £	Balance 31 July 2021 £
Covid fund	355,285	10,500	(79,525)	-	286,260
Education committee	7,838	170,550	(180,164)	1,776	-
Education capital fund	253,864	1,523,455	(1,979)	55,528	1,830,868
General funds	269,969	203,505	(102,198)	20,096	391,372
Unrestricted funds	886,956	1,908,010	(363,866)	77,400	2,508,500

Covid fund is funds earmarked for use to alleviate problems created by the Covid-19 pandemic in the community. Some donors to the Coronavirus Appeal expressed a wish that their funds be used for the benefit of specific classes of beneficiaries and these wishes have been monitored and honoured in full by the Trustees.

Education committee is funds delegated to the Merchant Taylors' Company's Education Committee for distribution for the advancement of education.

Education capital fund is funds earmarked to create sufficient capital reserves to generate ongoing investment income and reduce the need for continual and costly fundraising efforts.

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**12. Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
Investments	1,993,434	124,013	13,175,532	15,292,979
Current assets	733,855	909,402	-	1,643,257
	2,727,289	1,033,415	13,175,532	16,936,236

Prior year comparative

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Investments	1,761,284	143,211	14,229,095	16,133,590
Current assets	747,216	822,414	38,857	1,608,487
	2,508,500	965,625	14,267,952	17,742,077

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

13. Related party transactions

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Trust amounting to £165,486 (7 month total 2021: £86,375).

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 Charity received donations from sister charities and the Merchant Taylors' Company as detailed in note 2.

The Trustees are all members of the Merchant Taylors' Company, which administers this Trust.

The balances due to and from the other entities administered by the Merchant Taylors' Company at 31 July 2022 are disclosed in notes 7 and 8 to the financial statements.

Trustees made unrestricted donations totalling £12,140 in the year (7 month total 2021: £1,250).

14. Analysis of cash and cash equivalents and changes in net funds

	At 1 August 2021	Cashflows	At 31 July 2022
Cash in bank and at hand	1,655,582	242,722	1,898,304
Cash held by investment managers	296,310	225,760	522,070
	1,951,892	468,482	2,420,374

THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

15. Comparative information

	Unrestricted fund £	Restricted fund £	Endowment fund £	7 Month Total 2021 £
Income and endowments from:				
Donations and legacies	1,901,271	912,386	13,771,560	16,585,217
Other income	780	-	-	780
Investments	5,959	69,495	-	75,454
Total income	1,908,010	981,881	13,771,560	16,661,451
Expenditure on:				
Raising funds				
Investment management costs	1,979	555	20,149	22,683
Charitable activities				
Grants	264,765	157,624	-	422,389
Grant related support costs	96,478	2,382	-	98,860
Educational Activities	645	-	-	645
	361,888	160,006	-	521,894
Total expenditure	363,867	160,561	20,149	544,577
Net gains on investments	77,401	13,561	412,230	503,192
Net income/(expenditure)	1,621,544	834,881	14,163,641	16,620,066
Transfers	-	-	-	-
Net movement in funds	1,621,544	834,881	14,163,641	16,620,066
Fund balances at 1 January 2021	886,956	130,744	104,311	1,122,011
Fund balances at 31 July 2021	2,508,500	965,625	14,267,952	17,742,077