

Registered Charity Number: 1161568

**THE MERCHANT TAYLORS' FOUNDATION**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2023**

## INDEX

Trustees' Report	3
Objectives and Activities	3
Achievements and Performance	8
Financial Review	12
Future Plans	14
Structure, Governance and Management	15
Reference and Administrative Details	16
Statement of the Trustees' Responsibilities	17
Independent Auditors' Report	18
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cashflows	24
Accounting Policies	25
Notes to the Financial Statements	27

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

The Trustees submit their report and financial statements for the year ended 31 July 2023.

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 improving lives: across the country, primarily through education, and in London. These aims are explained in greater detail below. During the reporting period, the Charity decided to adopt the public-facing branding of 'Improving Lives Across the Country' and 'Improving Lives in London' to replace 'education' and 'tackling disadvantage' respectively. The statutory report and accounts continue to refer to 'disadvantage' when referring to the Relief of Disadvantage Restricted Fund, since the legal restriction on that Fund includes the word 'disadvantage'.

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

Example impact and volunteering stories and statistics can be found in the Merchant Taylors' Foundation Review 2022-2023 ('the MTF Review'), available on the website of the Merchant Taylors' Company.

#### Improving lives across the country

The Charity aims to:

- facilitate the best possible learning opportunities, especially for disadvantaged young people
- promote 'whole-person education'

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

- 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. Grants are primarily for the benefit of young people at the schools, educational institutions and education-related or offender rehabilitation charities with which the Company has links:

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 as follows.

The Charity reviewed its grant giving in this area, resulting in the following funding streams:



TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

**1. Early Years**, recognizing that a child's development in its first weeks and months are crucial for wellbeing and learning throughout life, and that early development depends to a great extent on the wellbeing and confidence of the adults around the child.

**2. Enrichment**, recognizing that a longer term result of the Covid-19 pandemic is many losses in the broad area of school pupils' enrichment – opportunities to learn, and to love learning, beyond the curriculum. These losses arose partly from students' decreasing confidence in being open to opportunities and partly from schools' lack of funds to provide such opportunities. Based on feedback from schools, the Charity split this strand of its work into sub-streams:

- Health and Wellbeing
- Prizes
- STEAM (science, technology, engineering, arts and maths)
- Next Steps
- Textiles & Tailoring
- Unallocated

### **3. Bursaries & Scholarships**

**4. Reducing Reoffending**, recognizing that education and employment can have a very positive impact on reducing reoffending rates.

**5. Covid Education Impact**, this stream continued from previous years, recognizing the need to support recovery from the effect of the Covid-19 pandemic on the Company's associated schools and educational institutions.

The Charity continued 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 and opportunities to offenders.

The **Trustees' policy on grant-making** to improve lives across the country 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.
- 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 improving lives across the country** by whether the grant achieves what the applicant said it would at the point of application. 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 and offenders which they would be unlikely to have if the scheme did not exist.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

### **Improving Lives in London**

The Charity **aims** to improve lives 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 exclusively or very heavily focussed on those boroughs. 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 this area is:

- To have a handful of long-term collaborations under a Proactive Grants Scheme, for the benefit of Lewisham and/or Southwark. It is not possible to apply for funding under this Scheme since grants are at the Trustees' initiative, not in response to applications.
- To operate a reactive Small Grants Scheme for charities operating exclusively 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.

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

- Entering into and continuing 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.
  - Resources for Autism - to support young adults on the autism spectrum in Lewisham and Southwark
  - Lewisham Music – to support music tuition, and skills training and pathways to work in the creative industries, for young people in Lewisham
- Continuing to participate in the One Southwark coalition, supporting an innovative programme to provide young people in Southwark with contacts, know-how and funding to progress to meaningful careers.
- 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 2021. A summary can be found in Note 3 to the Financial Statements under 'Small Grants Scheme' and 'Other'. A full list of Small Grants recipients can be found in the MTF Review.

The Charity Visits **volunteering scheme** 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 Small 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.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

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.

#### **Covid impact – social impact in Tower Hamlets (the Designated Covid Fund)**

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 continue its grant to The Feast Youth Project under the Designated Covid Fund. The Charity's partnership with The Feast arose when the impact of the pandemic on young people's mental health and wellbeing became apparent. The Feast assists young people with a vital issue for wellbeing and community cohesion in Tower Hamlets: how to feel confident in one's own faith (or non-faith) identity while relating honestly but respectfully with people of other faiths.

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 Designated Covid Fund is to spend down the Fund under the existing grant relationship with The Feast Youth Project (subject to compliance with the terms and conditions of grant).

#### **Cost of Living hardship**

The Charity **aimed** to help those hardest hit in Lewisham and Southwark, as the cost of living increased dramatically. The Charity's **strategy**, and **significant activity** undertaken pursuant to the strategy was to make grants to well-placed charities working to address the issue in either borough. The Charity's **policy** was to make grants to charities either known to the Charity or to other well-informed funders with a focus on Southwark.

#### **Miscellaneous grants**

The Charity **aims** to make a limited number of relatively small grants outside the grant programmes explained above. 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 grouped as 'Various Grants under £10,000' under the heading 'Other' in Note 3 to the Financial Statements.

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.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

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**

### **Improving Lives Across the Country**

**Early Years** - £25,000. The key achievement was commissioning a research and feasibility study to test assumptions, identify gaps in provision and show where future funding would have most impact.

**Enrichment** - £192,430

- **Health and wellbeing** - Grants were awarded to the Company's associated schools for:
  - Development of a cross-schools digital wellbeing charter
  - A pilot 'breakout' programme for vulnerable teenagers
  - A peer mentoring scheme
  - Sensory spaces/gardens
  - Expert speakers for a PHSE programme (personal, social, health and economic)
  - Talking therapist provision
  - Resources for special educational needs learners.
- **Prizes** – grants were awarded to fund various school prize
- **STEAM** – grants were awarded to Speakers Trust, Smallpeice Trust and Authors Aloud to deliver activities benefitting pupils at the Company's associated schools
- **Next Steps** – grants were awarded for:
  - Piloting a Professional Recognition Award for Apprenticeships
  - Intensive careers support
  - A summer school for pupils moving from primary to secondary
  - A careers outreach programme building on an independent/state school partnership
- **Textiles & Tailoring** – grants were awarded:
  - To Making for Change (reducing re-offending) to match mainly Muslim women from Tower Hamlets with London College of Fashion students and Making for Change 'graduates' to design and make garments
  - For review of an Apprenticeship Diploma in Bespoke Tailoring
  - To the UK Fashion and Textile Association's Careers Campaign.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

- **Other** – grants were awarded for:
  - The inaugural Gresham Competition, organized by Gresham College to build oracy skills amongst Year 12-13 students across the UK
  - Sponsoring the Merchant Taylors' Girls' School Choir to attend the European Choir Games
  - A virtual Engineering Course for Year 8-9 pupils in the Company's associated schools
  - An 'Everest at 70' event for young people across the country, hosted by the Himalayan Trust UK

**Bursaries & Scholarships** - £91,150. Alongside the bursaries and scholarships which the Charity has been funding for some years in school associated with the Merchant Taylors' Company and across various City of London institutions, several new tertiary-level awards were begun. Together, this resulted in around 25 students across the country being supported in their education. This included:

- Three Transformational Bursaries (one each at King's School Macclesfield, Merchant Taylors' Girls' School in Crosby and Wolverhampton Grammar School)
- A Merchant Taylors' Chorister at St Paul's Cathedral School
- 5 young scholars of the London Music Fund
- Several young Londoners supported through the new Lord Mayor's Green Bursary Award
- A group of international postgraduate students through the Mansion House Scholarship Scheme
- A Goldsmith's Equity Award for a student at Goldsmith's College
- A University of the Arts London 'Insights Bursary' for a London College of Fashion student.

**Reducing Reoffending** - £35,000. Financial support was provided:

- Again for No Going Back, the Livery Companies initiative to assist offenders into trades like construction upon release from prison
- To Fine Cell Work for its new 'employment hub' at HMP Foston Hall where embroidery training and production will be offered to women prisoners.

**Covid Education Impact** – £15,995. This year saw the final round of grants under this strand. Financial support was provided for:

- A World Book Day event for around 1,000 children from state-maintained primary schools, featuring children's author Cressida Cowell and hosted by Wolverhampton Grammar School
- Intensive catch-up provision in English, Maths and Science at Aylesbury University Technical College (part of Merchant Taylors' Oxfordshire Academy Trust).

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 chambers, a government relations consultancy and a green investment business.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

- 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.

Volunteers also assisted prisoners with CV writing and other skills, under the No Going Back programme.

### **Improving Lives in London**

Under its **Proactive Scheme**, the Charity made major grants as follows, in the context of 5 year collaborations with the grantees:

- A Year 1 grant to Lewisham Music of £85,008. The grant funds:
  - 1-to-1 instrumental tuition to children/young people with a musical spark
  - Provision of skills training and pathways to work in the creative industries, with highly transferable skills for many other lines of work
  - A Community Programme Producer role.
- A Year 1 grant to Resources for Autism of £136,126, to support young adults on the autism spectrum in Lewisham and Southwark
- A Year 2 grant to Depaul UK of £105,188, to prevent young people becoming homeless in Lewisham and Southwark. The work comprises 'Reconnect' mediation in families, and education in schools and community youth settings.

The Charity completed the first half of Project Year One of its 5 year collaboration with Construction Youth Trust (CYT). The Charity is the cornerstone funder of CYT's Lewisham Hub which introduces 14-19 year olds in Lewisham to the construction industry, leading to jobs and apprenticeships.

The Charity continued to participate in the One Southwark coalition, supporting young people in Southwark.

Under the **Small Grants Scheme**, the Charity was able to support a wide range of people in inner London, including groups such as women affected by domestic abuse, isolated elderly people, and people living with disabilities. The Charity made small grants totalling £155,950 to 40 charities for the benefit of people in Hackney, Lewisham, Southwark and Tower Hamlets. A full list of the grantees is set out in the *MTF Review*.

The Charity made grants totalling £28,000 to two charities in the context of existing funding relationships between the grantees and the Charity's sister charity Merchant Taylors' Consolidated Charities for the Poor, 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.

### **Covid impact – social impact in Tower Hamlets**

The Charity made a grant of £35,000 to The Feast Youth Project, supporting The MTF Feast Hub in Tower Hamlets to help young people feel confident in their own faith (or non-faith) identity while relating honestly but respectfully with people of other faiths.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

### Cost of Living hardship

The Charity gave £62,500 to grassroots organisations well-placed to help people in acute need: Lewisham Local, Pecan and the Copleston Centre in Southwark.

### Miscellaneous grants

The Charity made grants totalling just over £29,000 from unrestricted funds and £4,000 from restricted funds to ten grantees including the Lord Mayor's Appeal.

### Fundraising activities and fundraising standards

The Trustees take seriously their responsibilities under the Charities (Protection and Social Investment) Act 2016 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.

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.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

- 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

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

The Trustees have adopted a "total return" regime, whereby every year the Charity draws down a percentage of the value of its investment portfolio as averaged over a retrospective period. The Charity therefore draws 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.

### The Merchant Taylors' Foundation Fund

This fund is managed on the charity's behalf by Rathbones and is 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.

### Total return

In the previous financial period, the Trustees resolved to adopt a total return policy for the MTF funds held in the managed portfolio with effect from 1 August 2022. Trustees established the value of £5,836,232 for the Disadvantage endowment and £39,012 for the Original endowment by review of the historic accounts. Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted and unrestricted funds. The Trustees have decided to transfer 3% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

### Investment Performance

The investment income in the year for the Charity was £500,170 (2022: £380,972).

The total return on the Merchant Taylors' Foundation Fund was 2.48%, which was below the total return on the secondary benchmark (a composite index) of 4.3% and below the primary benchmark of CPI + 4% 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.



TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

**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 improving lives in London, safeguarding is discussed thoroughly with the prospective partner organization during the due diligence stage of negotiating 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 £16,910,854 (2022:£16,936,236).

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

The individual fund balances were as follows:

The **Unrestricted Fund** £2,827,414 (2022: £2,727,289) comprising:

- General Funds £494,021 (2022: £352,919)
- Designated Covid Fund £33,748 (2022: £96,780)
- Designated Education Capital Fund £2,299,245 (2022: £2,277,590)

The **Endowment Funds** £13,040,144 (2022: £13,175,532). This comprises an endowment of £62,913 (2022: £64,503) for the objects of the Charity (see explanation of the objects earlier in this report), and a 'Disadvantage fund' permanent endowment of £12,977,231 (2022: £13,111,029).

**Restricted Funds** not available for general purposes of the Charity £1,043,296 (2022: £1,033,415). The restrictions attaching to these funds are set out in full in Note 11 to the Financial Statements.

#### **Likely timing of expenditure of Designated Funds**

The purposes of the Designated Funds are explained in Note 12 to the Financial Statements.

The Designated Covid Fund is likely to be spent down in full by July 2025, serving an ongoing funding relationship with The Feast Youth Project to support The MTF Feast Hub in Tower Hamlets. 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 £494,021 (2022: £352,919), 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).

Of this sum, £4,206 (2022: £352,919) 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.
- 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 has a policy of holding a cash reserve in undesignated and unrestricted funds.

#### **FUTURE PLANS**

The Charity plans to launch a legacy fundraising campaign aimed at members of the Merchant Taylors' Company. In January 2024, the Charity launched a joint grant-making programme with Leathersellers' Foundation, for the benefit of Early Years education in Lewisham.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Governing document**

The Charity is governed by a Trust Deed dated 17<sup>th</sup> February 2015, as amended with effect from April 2020, June 2021 and October 2023.

### **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 process for induction of new Trustees.

Trustees have access to the Merchant Taylors' Charity Governance Handbook; 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. The Charity belongs to the National Council of Voluntary Organisations and the Association of Charitable Foundations, through which Trustees have access to training opportunities.

### **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).

The Charity's auditors report to the Trustees through the Audit & Financial Risk Committee of the Merchant Taylors' Company.

### **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.

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

---

**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 R H C Nourse (Chair) Mrs S Morgan Revd Canon R Godsall Mr D Jackson Mr R Bull Mrs J Hall
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 LLP 71 Queen Victoria Street London EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 JULY 2023

---

## 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 03/05/2024 and signed on their behalf:

Signature:   
898CFBC10B26463...  
Trustee: R H C Nourse

## THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023

---

**Opinion**

We have audited the financial statements of The Merchant Taylors' Foundation for the year ended 31 July 2023 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 2023 and of its incoming resources and application of resources for the period 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

## THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023

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 17, 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.

## THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023

---

## Identifying and assessing risks related to irregularities:

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



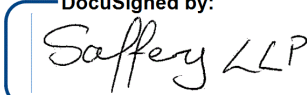
## THE MERCHANT TAYLORS' FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2023

---

**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:  
  
3DD66D93F6034C6...

Saffery LLP

Chartered Accountants  
Statutory Auditors71 Queen Victoria Street  
London  
EC4V 4BE

Date: 13/05/2024

Saffery 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 2023

	Note	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	2	614,787	357,759	-	972,546	1,315,965
Other income		60	-	-	60	775
Investments		68,774	4,678	426,718	500,170	380,972
Total return allocated to income		1,935	393,331	(395,266)	-	-
<b>Total income</b>		<b>685,556</b>	<b>755,768</b>	<b>31,452</b>	<b>1,472,776</b>	<b>1,697,712</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		8,336	606	57,117	66,059	70,391
<b>Charitable activities</b>						
Grants	3	364,950	610,402	-	975,352	981,459
Grant related support costs	4	86,143	144,080	-	230,223	209,888
Educational Activities	5	98,553	-	-	98,553	41,536
		<b>549,646</b>	<b>754,482</b>	<b>-</b>	<b>1,304,128</b>	<b>1,232,883</b>
<b>Total expenditure</b>		<b>557,982</b>	<b>755,088</b>	<b>57,117</b>	<b>1,370,187</b>	<b>1,303,274</b>
Net (losses)/gains on investments		(15,246)	(1,166)	(103,822)	(120,234)	(1,200,279)
Foreign exchange movements		(1,774)	(62)	(5,901)	(7,737)	-
<b>Total investment losses</b>		<b>(17,020)</b>	<b>(1,228)</b>	<b>(109,723)</b>	<b>(127,971)</b>	<b>(1,200,279)</b>
<b>Net income/(expenditure)</b>		<b>110,554</b>	<b>(548)</b>	<b>(135,388)</b>	<b>(25,382)</b>	<b>(805,841)</b>
Transfers between funds		(10,429)	10,429	-	-	-
<b>Net movement in funds</b>		<b>100,125</b>	<b>9,881</b>	<b>(135,388)</b>	<b>(25,382)</b>	<b>(805,841)</b>
Fund balances at 1 August 2022		2,727,289	1,033,415	13,175,532	16,936,236	17,742,077
<b>Fund balances at 31 July 2023</b>		<b>2,827,414</b>	<b>1,043,296</b>	<b>13,040,144</b>	<b>16,910,854</b>	<b>16,936,236</b>


The accounting policies and notes on pages 25 to 39 form part of these financial statements.

## THE MERCHANT TAYLORS' FOUNDATION

BALANCE SHEET  
AS AT 31 JULY 2023

	Note	31 July 2023		31 July 2022	
		£	£	£	£
<b>Fixed assets</b>					
Investments	6		16,906,648		15,292,979
<b>Current assets</b>					
Debtors	7	16,775		426	
Cash at bank		248,490		1,898,304	
		<b>265,265</b>		<b>1,898,730</b>	
Creditors	8	261,059		255,473	
<b>Net current assets</b>			<b>4,206</b>		<b>1,608,487</b>
<b>Total assets</b>			<b>16,910,854</b>		<b>16,936,236</b>
<b>Funds</b>					
Endowment	9		13,040,144		13,175,532
Restricted	11		1,043,296		1,033,415
Unrestricted	12		2,827,414		2,727,289
	14		<b>16,910,854</b>		<b>16,936,236</b>

These financial statements were approved by the Trustees on 03/05/2024

Signature:   
DocuSigned by:  
898CFBC10B26463...  
 Trustee: R H C Nourse

## THE MERCHANT TAYLORS' FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2023

	31 July 2023	31 July 2022
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	84,179	647,992
Cash flows from investing activities:		
Proceeds from sale of investments	1,695,031	2,213,307
Purchase of investments	(3,671,827)	(2,392,817)
Net cash (used in) investing activities:	(1,976,796)	(179,510)
Change in cash and cash equivalents in the reporting period	(1,892,617)	468,482
Cash and cash equivalents at the beginning of the year	2,420,374	1,951,892
<b>Cash and cash equivalents at the end of the year (note 16)</b>	<b>527,757</b>	<b>2,420,374</b>
Cash flows from operating activities		
Net expenditure for the reporting period	(25,382)	(805,841)
Adjustments for:		
Losses on investments	120,324	1,245,881
Foreign exchange revaluation	-	4,863
Decrease in debtors	(16,349)	30,562
(Increase) in stock	-	(2,431)
Increase in creditors	5,586	174,958
Net cash provided by operating activities	<b>84,179</b>	<b>647,992</b>

## THE MERCHANT TAYLORS' FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

---

**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.

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

---

**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.

**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.

**Total return**

The Trustees resolved to adopt a total return policy for the endowed funds held in the managed portfolio with effect from 1 August 2022.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3% of the asset value to the income funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**2. Income****Donations and legacy income:**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted</b>		
Merchant Taylors' Company	350,000	802,920
Sir Thomas White's Charity	37,426	34,399
Merchant Taylors' Company Charities Fund	137,525	37,455
The Marler Trust	-	4,000
Other Donations	89,836	107,191
	<b>614,787</b>	<b>985,965</b>
<b>Restricted</b>		
Merchant Taylors' Educational Trust	30,000	30,000
Merchant Taylors' Consolidated Charities for the Poor	324,148	300,000
Other donations	3,611	-
	<b>357,759</b>	<b>330,000</b>
<b>Total</b>	<b>972,546</b>	<b>1,315,965</b>

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**3. Grants paid**

	<b>2023</b>	2022
	£	£
<b>Grants paid from restricted funds</b>		
<b>Improving lives in London</b>		
<b>Proactive Stream</b>		
Construction Youth Trust	-	100,000
Depaul UK	105,188	97,053
United St Saviour's Charity (One Southwark)	-	38,720
Resources for Autism	136,126	-
Lewisham Music	85,008	-
	<b>326,322</b>	<b>235,773</b>
<b>Small Grants Scheme</b>		
Various grants less than £10,000	<b>155,950</b>	<b>145,747</b>
<b>Cost of living</b>		
Lewisham Local	37,500	-
Pecan	22,000	-
Various grants less than £10,000	3,000	-
	<b>62,500</b>	-
<b>Other</b>		
Disasters Emergency Committee (Ukraine)	-	110,607
Hotline Meals Service	19,000	-
The Blue Ribbon Foundation	-	12,300
The Maypole Project	-	10,000
Various grants less than £10,000	12,530	36,607
	<b>31,530</b>	<b>169,514</b>



## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**3. Grants paid (continued)**

<b>Improving lives across the country</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The King's School Macclesfield	16,050	15,000
Slade School of Fine Art	2,000	2,000
Wolverhampton Grammar School	16,050	15,000
	<b>34,100</b>	<b>32,000</b>
<b>Total grants from restricted funds</b>	<b>610,402</b>	<b>583,034</b>
<b>Grants paid from unrestricted funds</b>		
<b>Improving lives in London (Covid impact)</b>		
The Feast Youth Project	35,000	35,000
	<b>35,000</b>	<b>35,000</b>
<b>Improving lives across the country</b>		
Smallpeice Trust (Arkwright Scholarships)	20,000	14,895
Merchant Taylors' School (Crosby)	16,050	16,600
Merchant Taylors' Oxfordshire Academy Trust	46,795	85,987
Pembroke College	-	10,000
Speakers Trust	15,000	-
St John's School	10,000	10,000
St Paul's Cathedral School	12,000	12,000
St Saviour's & St Olave's School	10,000	133,383
The Mercers' Company (No Going Back)	25,000	25,000
Wolverhampton Grammar School	14,100	-
UK Fashion & Textiles	12,500	-
Fine Cell	10,000	-
University of the Arts	10,000	-
Various grants less than £10,000	99,030	33,560
	<b>300,475</b>	<b>341,425</b>

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**3. Grants paid (continued)****Miscellaneous (from unrestricted funds)**

Lord Mayor's Appeal	10,050	-
Various grants less than £10,000	19,425	22,000
	<b>29,475</b>	<b>22,000</b>
<b>Total grants from unrestricted funds</b>	<b>364,950</b>	<b>398,425</b>
<b>Total grants paid in year</b>	<b>975,352</b>	<b>981,459</b>

**4. Grant related support costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Administration costs	204,741	175,077
Event costs	-	5,163
Insurance	466	520
Bank charges	1,906	1,392
Governance costs :		
Audit fee	14,520	12,000
Audit fee – under provision	-	11,880
Legal & professional fees	8,590	3,856
<b>Total</b>	<b>230,223</b>	<b>209,888</b>

Trustees received no remuneration (2022: £nil) and were not reimbursed for any of their expenses in the year (2022: £nil). The Charity had no employees during the current or prior year.

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**5. Educational Activities**

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Livery Academy Awards	40,262	30,643
Early Years Review	25,000	-
Other activities less than £10,000	33,291	10,893
<b>Total</b>	<b>98,553</b>	<b>41,536</b>

**6. Investments**

	<b>July 2023</b>	July 2022
	<b>£</b>	<b>£</b>
Valuation at start of year	15,292,979	16,133,590
Additions	3,671,827	2,392,817
Disposals	(1,695,031)	(2,213,307)
Market value (losses)/gains	(120,234)	(1,245,881)
Movement in investment cash	(242,893)	225,760
Valuation at end of year	<b>16,906,648</b>	<b>15,292,979</b>

**Investment by type:**

	<b>July 2023</b>	July 2022
	<b>£</b>	<b>£</b>
Equities	15,198,203	13,912,615
Bonds	1,429,268	858,294
Cash	279,177	522,070
	<b>16,906,648</b>	<b>15,292,979</b>

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**7. Debtors**

	July 2023	July 2022
	£	£
Prepayments and accrued income	16,775	426
<b>Total</b>	<b>16,775</b>	<b>426</b>

Included within accrued income is £11,386 (2022: £Nil) due from The Merchant Taylors' Company Charities Fund.

**8. Creditors**

	July 2023	July 2022
	£	£
Other creditors	16,878	31,570
Grants payable	225,134	197,053
Accruals	19,047	26,850
<b>Total</b>	<b>261,059</b>	<b>255,473</b>
<b>Balances with connected parties:</b>		
Bradestrete Services Limited	16,185	31,525

At year-end the Charity had grant commitments totalling £1,629,145 (2022: £858,340) 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

**9. Permanent Endowment fund**

	Balance 1 August 2022	Income	Expenditure	Investment loss	Balance 31 July 2023
	£	£	£	£	£
Original fund	64,503	891	(1,490)	(991)	<b>62,913</b>
Disadvantage fund	13,111,029	30,561	(55,627)	(108,732)	<b>12,977,231</b>
	<b>13,175,532</b>	<b>31,452</b>	<b>(57,117)</b>	<b>(109,723)</b>	<b>13,040,144</b>

**Prior year comparative**

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

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

## 10. Statement of investment total return

	Disadvantage fund £	Original fund £	Total £
Original endowment value	5,836,232	39,012	5,875,244
Unapplied total return	7,274,797	25,491	7,300,288
<b>Total value at 1 August 2022</b>	<b>13,111,029</b>	<b>64,503</b>	<b>13,175,532</b>
Investment income	423,892	2,826	426,718
Market value movement	(103,173)	(649)	(103,822)
Foreign exchange movement	(5,559)	(342)	(5,901)
Investment management fees	(55,627)	(1,490)	(57,117)
<b>Total return applied to unapplied return</b>	<b>259,533</b>	<b>345</b>	<b>259,878</b>
<b>Transfer to income</b>	<b>(393,331)</b>	<b>(1,935)</b>	<b>(395,266)</b>
Original endowment value	5,836,232	39,012	5,875,244
Unapplied total return	7,140,999	23,901	7,164,900
<b>Total value at 31 July 2023</b>	<b>12,977,231</b>	<b>62,913</b>	<b>13,040,144</b>

**Total return**

The Trustees adopted total return from 1 August 2022. The original gift value was agreed to be £5,836,232 for the Disadvantage endowment and £39,012 for the Original endowment. Trustees agreed to withdraw 3% of the asset's value as this best balanced the present and future needs of beneficiaries and was in line with the long-term anticipated return by the investment manager.

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

## 11. Restricted funds

	Balance 1 August 2022	Income	Expenditure	Investment gains and transfers	Balance 31 July 2023
	£	£	£	£	£
Pocock fund	122,013	4,678	(3,078)	(1,228)	122,385
Education - bursaries	-	30,000	(32,100)	2,100	-
Relief of disadvantage	911,402	717,478	(715,546)	7,577	920,911
Master's Charity	- 3,612		(4,364)	752	-
<b>Restricted funds</b>	<b>1,033,415</b>	<b>755,768</b>	<b>(755,088)</b>	<b>9,201</b>	<b>1,043,296</b>

## Prior year comparative

	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
<b>Restricted funds</b>	<b>965,625</b>	<b>672,877</b>	<b>(584,150)</b>	<b>(20,937)</b>	<b>1,033,415</b>

**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.

**Education – bursaries fund** related to donations received from Merchant Taylors' Educational Trust for the purpose of providing bursaries to students at associated schools.

**The Relief of Disadvantage fund** relates to 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 Master's Charity** relates to donations received for Veterans Aid in the year.

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

## 12. Unrestricted funds

	Balance 1 August 2022 £	Income £	Expenditure £	Investment gains and transfers £	Balance 31 July 2023 £
<b>Designated funds</b>					
Covid fund	96,780	-	(63,032)	-	33,748
Education capital fund	2,277,590	503,346	(457,875)	(23,816)	2,299,245
General funds	352,919	182,210	(37,075)	(3,633)	494,421
<b>Unrestricted funds</b>	<b>2,727,289</b>	<b>685,556</b>	<b>(557,982)</b>	<b>(27,449)</b>	<b>2,827,414</b>

## Prior year comparative

	Balance 1 August 2021 £	Income £	Expenditure £	Investment gains and transfers £	Balance 31 July 2022 £
<b>Designated funds</b>					
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
<b>Unrestricted funds</b>	<b>2,508,500</b>	<b>1,024,835</b>	<b>(656,753)</b>	<b>(149,293)</b>	<b>2,727,289</b>

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



## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**13. Transfers between funds**

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Education capital fund	(9,677)	-	(9,677)
Education – bursaries	-	9,677	9,677
General	(752)	-	(752)
Master's Charity		752	752
	<b>(10,429)</b>	<b>10,429</b>	<b>-</b>

Transfers between funds were to prevent restricted funds from going below a £nil balance.

**14. Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2023
	£	£	£	£
Investments	2,823,208	1,043,296	13,040,144	16,906,648
Current assets	4,206	-	-	4,206
	<b>2,827,414</b>	<b>1,043,296</b>	<b>13,040,144</b>	<b>16,910,854</b>

**Prior year comparative**

	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
	<b>2,727,289</b>	<b>1,033,415</b>	<b>13,175,532</b>	<b>16,936,236</b>

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**15. 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 £179,874 (2022: £165,486).

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 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 through its subsidiary Bradestrete Services Limited.

The balances due to and from the other entities associated with the Merchant Taylors' Company at 31 July 2023 are disclosed in notes 7 and 8 to the financial statements.

Trustees made unrestricted donations totalling £2,270 in the year (2022: £12,140).

**16. Analysis of cash and cash equivalents and changes in net funds**

	At 1 August 2022	Cashflows	At 31 July 2023
	£	£	£
Cash in bank and at hand	1,898,304	(1,649,814)	248,490
Cash held by investment managers	522,070	(242,893)	279,177
	<b>2,420,374</b>	<b>(1,892,618)</b>	<b>527,757</b>

## THE MERCHANT TAYLORS' FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

## 17. Comparative information

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