

Registered Charity Number: 214267

MERCHANT TAYLORS' CONSOLIDATED CHARITIES FOR THE POOR
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
SEVEN-MONTH PERIOD ENDED 31 JULY 2021

*Merchant Taylors' Consolidated Charities for the Poor***INDEX**

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*Merchant Taylors' Consolidated Charities for the Poor***TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 JULY 2021**

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

The accounts comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)) second edition, and with the Charities Act 2011.

Note: by Charity Commission Scheme dated 20 August 2020, the following charities were merged into the Charity in the prior year:

- Merchant Taylors' Consolidated Charities for the Infirm ('MTCCInfirm')
- Harold and Dorothy Howitt Trust Fund (Merchant Taylors' Company) ('Howitt')

OBJECTIVES AND ACTIVITIES**Charitable Objects**

The Objects of the Charity are "the relief, for the benefit of the public, of those people who are in need by reason of age, ill health, disability, financial hardship or other disadvantage. In particular, but not exclusively, by providing: grants, items and services to individuals in need and/or charities or other organisations".

Aims and Objectives

The Charity's main aim is to support the work of its sister charity The Merchant Taylors' Foundation ('MTF', registered charity no. 1161568), by making donations to MTF (restricted for use within the charitable Objects of the Charity).

The Charity's second aim is to fund nursing home or care home fees in the Greater London area, in cases of financial hardship.

Public Benefit

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

The Charity does not discriminate on the grounds of any characteristic protected by the Equality Act or any other relevant legislation.

Grant-making policies

The Charity does not accept unsolicited applications for funding.

Its policy is to donate most of its unrestricted income to MTF, on the basis that MTF is better placed to reach a wide range of beneficiaries in a high impact, strategic way.

Its policy on funding nursing/care home fees is:

- To assist ex-residents of almshouse accommodation provided by The Merchant Taylors' Boone's Charity in Lewisham, who are in financial hardship
- By funding the shortfall, if any, between the cost of the preferred nursing/care home place and

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the aggregate of the following: the Local Authority's statutory contribution, and any statutory contribution the individual is required to make from her or his own assets.

Strategy

The strategy was to support the work of MTF by way of donations.

Throughout the year, the strategy in relation to funding nursing/care home places was to monitor the progression of residents at The Merchant Taylors' Boone's Charity ('MTBC') towards needing such a place.

Review of Activities

The Charity's Objects were modernised to the wording set out earlier in this report, via the Charity Commission Scheme dated 20 August 2020.

Total grant-making in the 7 month period, including the gifting of assets to MTF, amounted to £14,679,145 (12 month total 2020: £363,519). The Charity also paid out a voluntary allowance by way of charitable donation for relief of financial hardship, to a resident of the almshouses managed by The Merchant Taylors' Boone's Charity, totalling £365 (2020: £2,172).

After a write-back of historical grants, total grant-making from unrestricted funds, including the gifting of assets to MTF, amounted to £1,031,631 (2020: £349,441).

In future periods it is planned that the Trustees will gift the income derived from its investment property to MTF.

ACHIEVEMENTS AND PERFORMANCE**Performance against strategy**

The Charity was able to gift assets to MTF in line with the overall philanthropic strategy.

Investment performance

The investment income for the 7 month period was £146,796 (12 month total 2020: £326,685). The investment portfolio was the asset gifted to MTF in May 2021.

There was a total return of 11.9% on the Charity's investments in the Merchant Taylors' Income Biased Charities fund. This fund is primarily benchmarked against a composite index of income-oriented funds, which achieved a total return of 7.3%. The fund's secondary benchmark is RPI + 3.5% per annum over the longer term.

There was a total return of 12.4% on the Charity's investments in the Merchant Taylors' Growth Charities fund. The fund's primary objective is to achieve RPI + 3.5% per annum over the longer term. This fund is also benchmarked against a composite index of growth-oriented funds, which achieved a total return of 8.5%.

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FINANCIAL REVIEW**Covid-19 pandemic: impact on finances**

The Charity's commercial tenant exercised its statutory right to defer rental payments. This balance has now been paid.

Investment Powers and Policy

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

Both the Growth Charities fund and the Income Biased Charities fund are managed on a discretionary basis. They have a balanced mandate so are managed for a combination of capital growth and income. There are no investment restrictions and hence no social, environmental or ethical considerations as such are taken into account on those funds.

The Growth Charities fund 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 Income Biased Charities fund is a fund for investors with a medium risk tolerance, with a 6 -10 year time horizon and the capacity to tolerate a temporary or, sometimes, permanent capital loss.

The benchmarks for the two funds are explained earlier in this report, under the heading Investment Performance.

These portfolios have now been gifted to MTF.

Risk management

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

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

Grants are mostly made to organisations rather than to individuals, and only very rarely to organisations which are not, or are not yet, registered with the Charity Commission or an equivalent regulator. Personal contact is established by the staff with each and every grantee organisation, and grantees are required to signify written agreement to an extensive and binding set of Terms and Conditions before any payment may be made.

With grants now being made to MTF this risk is significantly reduced.

The Trustees are aware that safeguarding is a high priority for the charity sector as a whole. In the context of the Charity making grants to organisations, the grant application form requires applicant

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organisations working with children or vulnerable adults to certify that the relevant staff are DBS checked. The Trustees believe that this is a proportionate approach. In the context of grants to individual residents of The Merchant Taylors' Boone's Charity, the Trustees are satisfied that The Merchant Taylors' Boone's Charity itself has a robust safeguarding policy, and all staff are DBS checked.

The other major risk to which the Charity is exposed is the value of, and income from, its investment property.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications, bearing in mind that the Charity conducts no fundraising activities. The Charity is a charitable trust supported by The Merchant Taylors' Company. It does not carry out any fundraising activity in order to raise funds from the general public. It does not work directly with commercial sponsors or engage professional fundraisers. There were no complaints made in respect of fundraising during the year, because there was no fundraising.

Financial reserves

The Trustees' policy on liquid and expendable reserves is under review at the time of writing, since the Charity has now switched to a model where its sole beneficiary is its sister charity The Merchant Taylors' Foundation.

Subject to the outcome of that review, the Trustees' reserves policy is to retain sufficient funding to meet any operational expenditure in liquid and expendable funds as a reserve.

As at 31 July 2021, the Unrestricted Fund stood at £767,092 (2020: £1,430,648). That figure includes the Debtors of £711,190 which the Trustees did not treat as liquid and expendable funds when budgeting for grant-making during the reporting period.

The remaining balance of £55,902 in unrestricted funds represented the liquid and expendable funds as at 31 July 2021. This is likely to exceed any amount need for operational expenditure in the year.

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

The Unrestricted Fund stood at £767,092 (2020: £1,430,648) at year-end and the Endowment Fund stood at £6,128,983 (2020: £18,976,388). The Restricted Fund stood at £253,597 (2020: £222,752). The balances have been reduced by the gifting of assets to MTF.

FUTURE PLANS

In May 2021 the Charity donated much of its assets as restricted funds to MTF.

For the short to medium term, the Charity will continue to exist in order to:

- Hold the freehold of its investment property Rectory Court
- Receive income for use on nursing/care home fees in Greater London, from the Alfred Charles Cuthbert Parker Will Trust (reg. charity 290030), whose governing document specifically names the Charity's predecessor MTCCInfirm as its beneficiary.

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The Charity will donate its income from Rectory Court, less the Charity's running costs, to MTF as a restricted fund in MTF's hands.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

The Charity is governed by a Charity Commission Scheme dated 20 August 2020. This superseded a Scheme dated 11th October 1960, and before that, a Scheme made in 1924 which consolidated thirty-eight charitable trusts established by will, deed, or indenture between 1452 and 1923.

Appointment of Trustees

The Trustees are appointed by resolution of the existing Trustees from the membership of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity needs at the relevant time. Trustees serve for fixed terms of three years.

The Trustees are also Trustees of a number of other grant-making charities with similar associations with the Merchant Taylors' Company.

Induction and training of Trustees

Trustees are given a comprehensive induction pack covering key matters such as the Charity's Objects, grant-making policy, and sources of income. They are offered at least one opportunity each year to receive training, either by Merchant Taylors' Company staff or external speakers.

Trustees have access to the governing document, previous minutes, and Charity Commission guidance. They are also supported by qualified and experienced staff based at Merchant Taylors' Hall. Further advice and guidance is offered to the Trustees through a system of committees within the Company, culminating with the Court of the Merchant Taylors' Company.

Management Personnel

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

Decision-making and delegation

The Trustees are supported in their decision making by a wider 'Charities Committee' drawn from the membership of the Merchant Taylors' Company.

On some occasions the Trustees meet on their own, but usually they meet jointly with and as a sub-set of the Charities Committee of the Merchant Taylors' Company. However, in the latter scenario:

- the agenda makes clear which decisions are for the Trustees only, and at those point, only Trustees vote
- the minutes make clear that the decision was taken by the Trustees only, with the other Committee members in attendance at that point.

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

Merchant Taylors' Consolidated Charities for the Poor

**TRUSTEES' REPORT
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Grants of less than £5,000 may customarily be awarded by the Chairman, subject to ratification by the Trustees, where a where a rapid decision is required in order for the grant to be effective.

Related Parties

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

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

Merchant Taylors' Consolidated Charities for the Poor

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

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME:	Merchant Taylors' Consolidated Charities for the Poor
REGISTERED CHARITY NUMBER:	214267 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr R A D Sullivan (Chairman) Mr R J A Bull Mr D Jackson Revd Canon R Godsall
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
INDEPENDENT AUDITORS:	Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

*Merchant Taylors' Consolidated Charities for the Poor***TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 JULY 2021**

STATEMENT OF 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, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:


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

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

The Report of the Trustees was approved by the Trustees on the 20/05/2022 and signed on their behalf:

Name: Richard Sullivan

Trustee

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE PERIOD ENDED 31 JULY 2021

Opinion

We have audited the financial statements of Merchant Taylors' Consolidated Charities for the Poor for the seven-month period ended 31 July 2021 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 2021 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE PERIOD ENDED 31 JULY 2021

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 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 Trustees' Responsibilities Statement set out on page 10, 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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE PERIOD ENDED 31 JULY 2021**

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:

We assessed the susceptibility of the Charity's financial statements to material misstatement and how fraud might occur, including through discussions with 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 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.

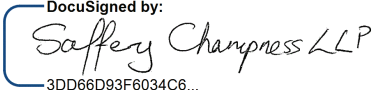
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement 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.

Use of our report

*Merchant Taylors' Consolidated Charities for the Poor***INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE PERIOD ENDED 31 JULY 2021**

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.

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Saffery Champness LLP
Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London
 EC4V 4BE

Date: 5/23/2022

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

*Merchant Taylors' Consolidated Charities for the Poor***STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 JULY 2021**

	Note	Unrestricted fund £	Restricted fund £	Endowment fund £	7 Month Total 2021 £	12 Month Total 2020 £
Income and endowments from:						
Donations and legacies		44,470	31,207	-	75,677	76,436
Rental income		245,307	-	-	245,307	410,526
Investment income		146,796	-	-	146,796	326,685
Total		436,573	31,207	-	467,780	813,647
Raising funds						
Property costs		-	-	-	-	600
Investment costs		-	-	14,756	14,756	47,670
		-	-	14,756	14,756	48,270
Charitable activities						
Grants	2	1,031,631	362	13,647,515	14,679,508	349,441
Support costs	3	68,498	-	-	68,498	63,118
		1,100,129	362	13,647,515	14,748,006	412,559
Total expenditure		1,100,129	362	13,662,271	14,762,762	460,829
Net gains on investments		-	-	814,866	814,866	58,930
Net movement in funds		(663,556)	30,845	(12,847,405)	(13,480,116)	411,748
Funds at 1 January 2021		1,430,648	222,752	18,976,388	20,629,788	20,218,040
Funds at 31 July 2021		767,092	253,597	6,128,983	7,149,672	20,629,788


The notes on pages 18 to 28 form part of these financial statements

*Merchant Taylors' Consolidated Charities for the Poor***BALANCE SHEET
AS AT 31 JULY 2021**

	Note	31 July 2021		31 December 2020	
		£	£	£	£
Fixed assets					
Investment property	4		6,128,983		6,180,903
Investments	5		-		12,846,293
			6,128,983		19,027,196
Current assets					
Debtors	6	711,671		870,814	
Cash at bank		390,995		782,813	
		1,102,666		1,653,627	
Creditors	7	81,977		51,035	
Net current assets			1,020,689		1,602,592
Total assets			7,149,672		20,629,788
Funds					
Endowment	10		6,128,983		18,976,388
Restricted	9		253,597		222,752
Unrestricted	8		767,092		1,430,648
	10		7,149,672		20,629,788

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

Trustee

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Trustee

Richard Sullivan

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2021**

	2021 £	2020 £ (Restated)
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	(580,411)	52,430
Cash flows from investing activities:		
Proceeds from sale of investments	1,553,671	2,013,710
Purchase of investments	(1,637,773)	(2,002,601)
Net cash used in investing activities:	(84,102)	11,109
Change in cash and cash equivalents in the period	(664,513)	63,539
Cash and cash equivalents at 1 January 2021	1,055,508	991,969
Cash and cash equivalents at 31 July 2021 (note 14)	390,995	1,055,508
Cash flows from operating activities	2021 £	2020 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(13,480,116)	411,748
Adjustments for:		
(Gains) on investments	(807,866)	(65,230)
Investments gifted to Merchant Taylors' Foundation	13,517,486	-
Decrease / (Increase) in debtors	159,143	(212,670)
Increase/(Decrease) in creditors	30,942	(80,718)
Net cash (used in) / provided by operating activities	(580,411)	52,430

In the above cash flow statement, cash and cash equivalents at year end reflects cash held within the investment portfolio as well as cash at bank and in hand. This is a change from prior year when the balance reflected cash at bank and in hand only. Prior year figures have been restated in these financial statements so as to be comparable

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

1. Accounting Policies

Charity information

Merchant Taylors' Consolidated Charities for the Poor is registered with the Charity Commission for England and Wales (registered number 214267). 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.

Merger accounting

On 20 August 2020 Merchant Taylors' Consolidated Charities for the Infirm and the Harold & Dorothy Howitt Trust Fund merged with Merchant Taylors' Consolidated Charities for the Poor. In accordance with Charities SORP, these financial statements present the combined results of the merged charities.

Going Concern

The ongoing Covid-19 pandemic has not had a significant impact on the charity's operations or finances. 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 receivable.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

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

Investments

Listed investments are included in the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains or losses are recorded in the Statement of Financial Activities in the year in which they arise.

Investment property is revalued annually by the Trustees using appropriate professional advice.

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.

The key accounting judgement in the financial statements relates to the investment property valuation, as detailed in note 4.

Reporting period

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

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****2. Grants**

	7 Month Total 2021 £
Institutional grants	
Merchant Taylors' Foundation	14,683,946
Individual Grants	362
Historical grants written back	(4,800)
Total	14,679,508
	12 Month Total 2020 £
Prior Year Comparative	
Institutional grants	
Treloar	8,350
Sydenham Garden	4,000
The Merchant Taylors' Foundation	160,900
Resources for Autism	3,000
Tower Hamlets Friends	19,500
Medicinema	8,302
Sense	10,000
Irish Chaplaincy	10,000
The Maypole Project	12,000
Blue Ribbon Foundation	14,000
Hot Line Meals Service	15,000
NLAH	19,900
Core Arts	19,400
Link Age Southwark	14,900
Waterloo Action Centre	8,067
The Nehemiah Project	9,900
Bonny Downs Community	16,400
The Change Foundation	9,900
Individual grants	2,172
Historical grants written back	(16,250)
Total	349,441

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****3. Grant related support costs**

	7 Month Total 2021 £	12 Month Total 2020 £
Administration costs	27,484	48,738
Debt written off	29,802	-
Insurance	286	770
Bank charges	-	8
Professional fees	4,126	1,072
Audit fees	6,800	12,530
	68,498	63,118

The write off of debt relates to a historical invoice that was incorrectly issued and therefore not recoverable.

4. Investment property

	2021 £	2020 £
Valuation at 1 January 2021	6,180,903	6,497,775
Revaluation	(51,920)	(316,872)
Valuation at 31 July 2021	6,128,983	6,180,903

Investment properties were valued at 31 July 2021 by Nigel Gammon, a member of the Royal Institute of Chartered Surveyors employed by Bradestrete Services Limited, on the basis of market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors.

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****5. Investments**

	31 July 2021	31 December 2020
	£	£
Valuation at 1 January 2021	12,846,293	12,486,605
Additions	1,637,773	2,002,601
Disposals	(15,071,157)	(2,013,710)
Market value gains	866,786	375,802
Movement in investment cash	(279,695)	(5,005)
Valuation at 31 July 2021	-	12,846,293
Held as:		
Equities	-	11,072,200
Fixed interest	-	991,523
Alternatives	-	509,875
Cash	-	272,695
Total	-	12,846,293

Investments were donated to the Merchant Taylors' Foundation as part of the ongoing exercise in consolidation of philanthropic activities.

6. Debtors

	31 July 2021	31 December 2020
	£	£
Prepayments & accrued income	481	1,484
Other debtors	711,190	603,104
Trade debtors	-	266,226
	711,671	870,814

Included in other debtors is a balance of £711,190 representing the income accrued during the rent-free period which will be spread over the life of the lease in respect of Rectory Court.

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****6. Debtors (continued)**

Other debtors include balances with connected parties:

	31 July 2021	31 December 2020
	£	£
Bradestrete Services Limited	-	720
Merchant Taylors' Foundation	-	364
Merchant Taylors' Company	-	5,097

7. Creditors

	31 July 2021	31 December 2020
	£	£
Accruals	8,401	27,477
Deferred income	58,956	-
Other creditors	14,620	23,558
	81,977	51,035

Other creditors includes balances with connected parties:

	31 July 2021	31 December 2020
	£	£
Merchant Taylors' Boones' Charity	-	5,585
Henry Colborn (or Colbron)	-	17,973
Bradestrete Services Limited	14,620	-

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****8. Unrestricted funds**

	Balance 1 January 2021 £	Income £	Expenditure £	Balance 31 July 2021 £
Unrestricted funds	1,430,648	436,573	(1,100,129)	767,092

Comparative information	Balance 1 January 2020 £	Income £	Expenditure £	Balance 31 December 2020 £
Unrestricted funds	1,101,296	742,511	(413,159)	1,430,648

9. Restricted Funds

	Balance 1 January 2021 £	Income £	Expenditure £	Balance 31 July 2021 £
Parker bequest	222,752	31,207	(362)	253,597

Comparative information	Balance 1 January 2020 £	Income £	Expenditure £	Balance 31 December 2020 £
Parker bequest	151,616	71,136	-	222,752

This fund is restricted to use on paying grants to assist with nursing home or residential care home fees in the Greater London area.

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****10. Endowment Funds**

	Balance 1 January 2021	Income & expenditure	Realised & unrealised gains	Balance 31 July 2021
	£	£	£	£
Permanent Endowment	18,976,388	(14,732,960)	814,866	6,128,983

Comparative information	Balance 1 January 2020	Income & expenditure	Realised & unrealised gains	Balance 31 December 2020
	£	£	£	£
Permanent Endowment	18,965,128	(47,670)	58,930	18,976,388

This balance represents the consolidation of several historic endowments.

During the year the charity donated all endowments, excluding those held as property investment in Rectory Court, to the Merchant Taylors' Foundation.

Immediately prior to this donation the Trustees approved a resolution to adopt a total return approach to those endowments held in tradeable investments. The value of the original endowment agreed for this exercise was £5,836,232. The remaining £7,811,283 represents the total unapplied return. The entirety of the original endowment and unapplied return was gifted to the Merchant Taylors' Foundation.

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****11. Analysis of net assets between funds**

At 31 July 2021	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Investments	-	-	6,128,983	6,128,983
Current assets	767,092	253,597	-	1,020,689
	767,092	253,597	6,128,983	7,149,672

At 31 December 2020	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Investments	50,808	-	18,976,388	19,027,196
Current assets	1,379,840	222,752	-	1,602,592
	1,430,648	222,752	18,976,388	20,629,788

12. Related party transactions

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the 7 month period on behalf of this Trust amounting to £27,484 (12 month total 2020: £48,738).

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

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

The balances due to and from the other Trusts administered by the Merchant Taylors' Company at 31 July 2021 are disclosed in notes 6 and 7 to the financial statements. During the year the charity made a substantial donation to MTF, see notes 2 and 9 for further details.

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****13. Operating leases**

	2021	2020
	£	£
Due within one year	410,526	410,526
Due between one and five years	1,642,107	1,642,107
Due after five years	6,209,220	6,619,746
	8,261,853	8,672,381

The balance represents the minimum amounts due as lessor under non-cancelling operating leases.

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

	At 1 January 2021	Cashflows	At 31 July 2021
Cash in bank and at hand	782,813	(391,818)	390,995
Cash held by investment managers	272,695	(272,695)	-
	1,055,508	(664,513)	390,995

*Merchant Taylors' Consolidated Charities for the Poor***NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021****15. Comparative information**

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2020 £
Income from:				
Donations and legacies	5,300	71,136	-	76,436
Rental income	410,526	-	-	410,526
Investment income	326,685	-	-	326,685
Total income	742,511	71,136	-	813,647
Expenditure on:				
Raising funds				
Property costs	600	-	-	600
Investment costs	-	-	47,670	47,670
	600	-	47,670	48,270
Charitable activities				
Grants	349,441	-	-	349,441
Grant related support costs	63,118	-	-	63,118
	412,559	-	-	412,559
Total expenditure	413,159	-	47,670	460,829
Gains on investments	-	-	58,930	58,930
Transfers between funds	-	-	-	-
Net movement in funds	329,352	71,136	11,260	411,748
Funds at 1 January 2020	1,101,296	151,616	18,965,128	20,218,040
Funds at 31 December 2020	1,430,648	222,752	18,976,388	20,629,788