

Trustees' Report & Financial Statements

for the year ended 30th June 2021

**fashion & textile
children's trust.**

charity registration no: 257136

REFERENCE AND ADMINISTRATIVE DETAILS

Name:	Fashion & Textile Children's Trust
Registered Charity Number:	257136 (England and Wales)
Principal Office:	The Space UK 235 High Holborn London WC1V 7LE E-Mail: anna@ftct.org.uk Website: www.ftct.org.uk Telephone: 0300-123-9002 / M: 07753 605367
Trustees at 30 June 2021:	Mike Taylor, (Chair of Trustees), Commercial Director, British Heart Foundation Mike Trotman, (Chair, Finance Committee) CFO Tom Dixon Group David Shepherd, (Former COO Trading, Arcadia) Ryan Becker, Managing Director at UK Visual Immersion Vanessa Elias, Managing Director, CVUK Robert Bready, Freelance Executive Consultant Richard Sims, Consultant Kristin Cramborn Knoflach, Senior Marketing Manager, Klarna
Chief Executive:	Anna Pangbourne
Bankers:	Barclays Business 1 st Floor, 27 Soho Square London W1D 3QR
Solicitors:	FieldFisher Riverbank House 2, Swan Lane London EC4R 3TT
Auditors:	Saffery Champness LLP Westpoint Peterborough Business Park Lynch Wood Peterborough PE2 6FZ
Investment Managers:	Quilter Cheviot Investment Management Senator House, 85 Queen Victoria Street, London, EC4V 4AB

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FASHION & TEXTILE CHILDREN'S TRUST
CHAIR'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

Over the last year, FTCT has continued to give financial support to the children of families who work in the UK fashion and textile industry. Families who have experienced a significant change at home as a result of bereavement, disability, family breakdown, debt, or sickness.

Coupled with the unprecedented Covid-19 emergency which affected a huge number of employees, FTCT was able to increase its grant giving to meet their needs during this year of crisis. Since the beginning of 2021, 18,253 redundancies have been made across the sector, from shop floor to head office, following the collapse of retailers such as Debenhams and Arcadia. Textile and manufacturing companies have also been affected.

As a result, the Board of Trustees took the decision to increase its grant funding to meet record levels of demand, giving £509,192 in new and existing grant committed payments to 1070 children of employees at over 100 companies in our sector - a record in our 170 year history. Companies ranging from high street fashion retailers to textile manufacturers, laundry companies to supermarkets that sell clothing, reaching all corners of the UK.

As the sector recalibrates, the Fashion & Textile Children's Trust is committed to supporting the families of those that work in our industry.

Over the last nine months, the FTCT team, supported by the Trustees have undertaken a strategic review for the previous strategy 2016 – 2021, in order to develop a new strategy for 2021-2026.

Our ambition for this strategy is to be recognised as the leading grant giving Charity for UK fashion and textile families, providing support during challenging times. In line with this, our new Vision and Mission was developed in collaboration with the team and Trustees, to reflect the direction we want to take the Charity:

Our Vision for our new strategy is: Supporting the families of the UK fashion and textile industry, where all children can thrive.

Our Mission: We provide financial grants for essential and specialist items to families, to improve a child's wellbeing.

Our overall strategic direction is: To take an innovative approach to extending the lifespan of the Charity and continue to help families cope during challenging times.

To support this, we will have three overall Strategic Aims:

Children and Families	We aim to continue to improve the wellbeing outcomes of our beneficiaries by maximising the impact of our grants
Financial Sustainability	We aim to ensure the financial sustainability of the Charity now and for future generations
Operational Efficiency	We aim to improve our overall efficiency to maximize our resources and impact

We could not continue to offer the vital financial assistance to the families in our sector without the fantastic support of companies of all sizes across the UK, and I would like to thank them all for continuing to do so, during such a challenging time. This will enable our work to carry on as long as there is need in our sector, however support from our industry is vital. The current level of grants awarded far exceeds our income and the importance of sector wide support has never been greater.

The Trustees present their report along with the financial statements of the Charity for the year ended June 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 21 and comply with the Charity's Trust Deed and applicable law.

INTRODUCTION

The Fashion & Textile Children's Trust, (FTCT), provides financial support to the children of people who work in the UK fashion and textile sector. Our focus is helping those who are facing financial difficulty and as a result, are struggling to meet the basic needs of their child. This is often due to an unexpected change in circumstances at home, a sudden gap in income or an ongoing situation that puts extreme pressure on the family's finances.

The final year of our five-year strategy was particularly significant. With the financial impact of the global pandemic, FTCT's relevance to those working in the UK fashion and textile sector was never greater, resulting in the Charity disbursing £509,192 in grant awards - its highest grant level on record. The industry employs an estimated 890,000; according to Drapers Magazine, the industry sector magazine, as of January 2021, a total of 240,000 jobs were lost in the fashion retail sector since the start of the pandemic (March 2020). Since the beginning of 2021, 18,253 redundancies have been made on the shop floor and head office, following the collapse of retailers such as Debenhams, Edinburgh Woollen Mill and Arcadia Group, alongside the streamlining of operations at Marks & Spencer and John Lewis. Many more textile manufacturers and laundry companies supported by FTCT, were also affected.

FTCT's overall strategic aim during this strategic period was: To Give More Money to help Families in Need. Between 2016 – 2021, FTCT is proud to have achieved the following over the strategy period:

- 9,879 enquiries received, representing a 151% total growth in enquiries
- 3,698 children supported, representing a 370% total growth in children supported
- 8,663 items awarded
- £1,820,706 awarded in grants, representing a 172% total growth in grants awarded

Families are at the heart of everything we do. We strive to continue to build a reputation as a Charity that listens, is empathetic, kind and fair, from the first enquiry through to outcome. As a small team we take huge pride in being able to help families during difficult times, by 'going the extra mile', working with each family on a case by case basis and treating every parent or carer, with care and compassion. During the pandemic, all team members worked from home, ensuring that the high level of service to families was maintained with no disruption.

Our Heritage:

Established in 1853 at the height of a vibrant and flourishing UK silk and cotton weaving industry, a group of textile merchants, tailors and clerks formed a trust fund, to support the bereaved family of one of their colleagues. Their good work attracted the attention of those keen to advocate the cause including the notable author Charles Dickens who was the Chairman of Appeal in 1856 and 1857. The trust developed to become a school opened by the Prince of Wales, later Edward VII, in New Cross, followed by a second school opening in Purley. The school still exists today, known as the Royal Russell School.

Recognising that fewer children were from families who worked in the fashion and textile sector, the school was sold in 1968. The proceeds from the sale of the school were invested and our Charity, then known as the Purley Children's Trust continued to benefit the children of families who worked in the industry.

Initially staffed by Chief Executive Anna Pangbourne in 2009, there are now five team members in total.

Our grant remit across the roles within the sector is diverse: grants can be awarded to a parent or carer working in a range of different areas including: the shop floor of a high street fashion retailer, a supermarket that sells clothing, a distribution centre or logistics company for clothing, commercial laundry company, high street dry cleaners, a fashion designer, a high-tech performance fabric company, soft furnishings, pattern cutter, bridal wear, weaver or costume maker.

From button maker to boutique owners, sock makers to spinners – all roles within the UK fashion, textile, retail and manufacturing can be considered by FTCT.

We are honoured and privileged that Her Majesty The Queen is Patron of our Charity.

Organisational Purpose:

The sole purpose of our Charity is to provide grants – a financial contribution – to families who work, or have previously worked, in the UK fashion and textile industry. Our grants are not a loan and they do not have to be re-paid by the parent or carer. Additionally, there is no charge or membership fee to a company who works in partnership with our Charity. Typically, our grants cover the cost of day-to-day items and also specialist items for their child (up to 18yrs) and is only considered when the basic needs of the child cannot be met and the parent has no access to savings. As part of the application process, we ask the parent to evidence benefits they receive and why they are not able to provide the items requested at this time, ensuring that the grants awarded are to those most in need.

Review of the Year – Strategic Activities

The key focus for the financial year ending 30 June 2021 was the completion of the five-year agreed growth strategy, ongoing review of all grants processes and the revision of website messaging and improvement to user journey.

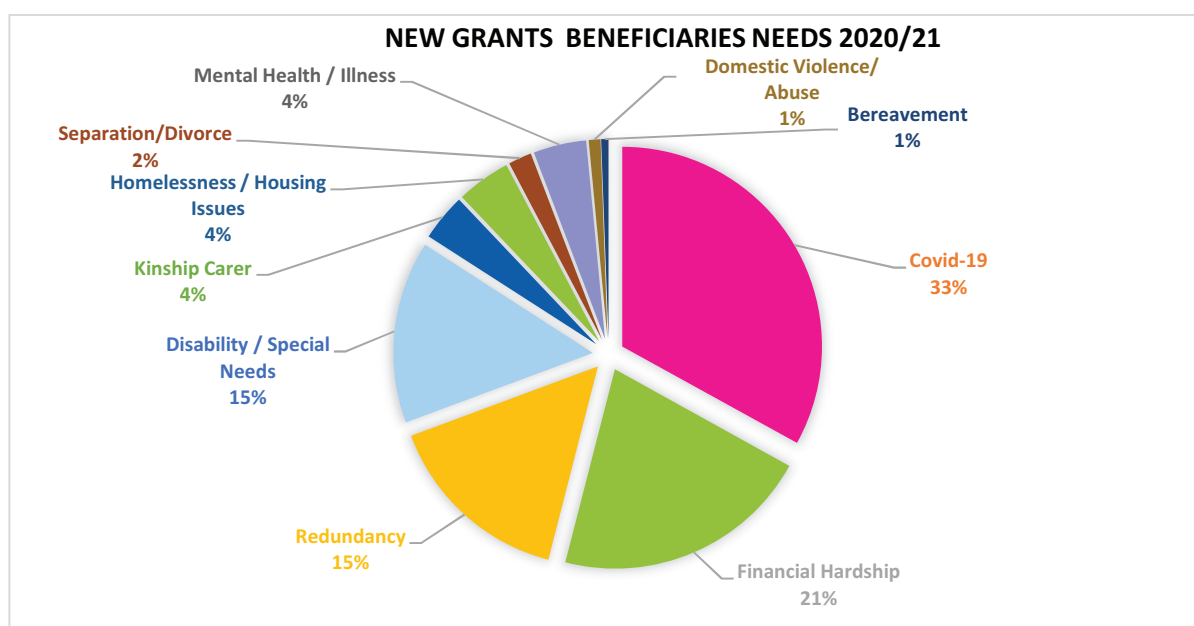
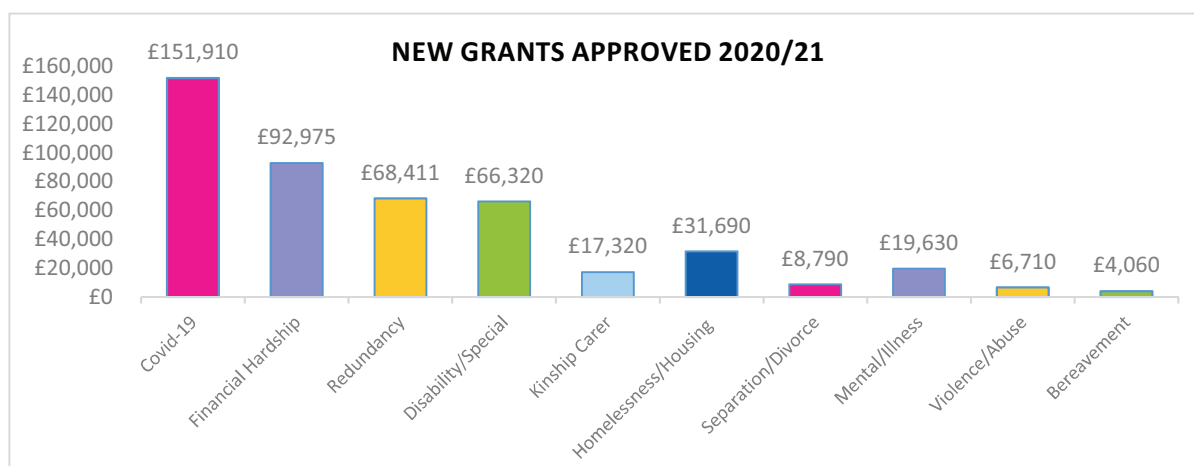
As a result of Covid-19, the planned marketing activities that had been required in previous years were temporarily put on hold, so that focus could instead be diverted to the processing of grants to families. During this peak period, the Grants Team were supported by other team members.

Although the annual fundraising channels via the Drapers Awards Events did not take place in person owing to Covid-19, FTCT was successful in securing £82,479 in donations. This was in part due to the Drapers x Covid-19 Appeal that was launched by Drapers Magazine in April 2020. To date £40,291 has been raised through the generosity of corporate donations: a significant part of this was due to the Drapers Christmas Prize Draw where companies were invited to donate a product.

Achievement and Performance

New approved grants made by FTCT during the year under review increased to £467,816 from £369,762 in the previous year due to the re-assessment of the application policy criteria to ensure grant awards are directed to families who are most in need coupled with the consequential impact of the Covid-19 pandemic crisis. The continuing strategic priority is to grow grants, which has been reflected in the annual performance with a 26.5% increase on prior year awards of £369,762.

Total grants distributed for the year were £474,150 against £398,134 in the previous year. The total number of children supported was 1,060; 1,050 of these were new and 10 were ongoing – a record figure. The charts displayed and the table below shows total new grants approved during 2020/21 for the last year, broken down by the category of need:



Need	New Grants Approved 2020/21	Approved % Total	Number of New cases	% Beneficiaries
Covid-19	£151,910	32.47%	347	33.0%
Financial Hardship	£92,975	19.87%	220	21.0%
Redundancy	£68,411	14.62%	161	15.3%
Special Needs	£49,420	10.56%	119	11.3%
Rehoused	£17,400	3.72%	30	2.9%
Kinship Carer	£17,320	3.70%	40	3.8%
Disability	£16,900	3.61%	36	3.4%
Homelessness	£14,290	3.05%	16	1.5%
Illness	£10,880	2.33%	21	2.0%
Separation/Divorce	£8,790	1.88%	20	1.9%
Mental Health	£8,750	1.87%	24	2.3%
Domestic Violence	£5,210	1.11%	8	0.8%
Bereavement	£4,060	0.88%	6	0.6%
Child Abuse	£1,500	0.33%	2	0.2%
Total Recipients	£467,816	100%	1,050	100%

During the last 18 months, many families who were able to manage their finances before Covid-19, were quickly at financial risk after being placed on furlough or made redundant. For a family who may have been paying off debt, for example, payments became impossible, therefore creating further financial difficulty. Along with Covid-19, the primary reason for a parent getting in touch with our Charity is financial hardship: not being able to afford essential items for their child and with limited access to savings. Often there will be a secondary reason for contacting our Charity, such as disability, redundancy, unsettled housing and more as listed above. Any of these reasons combined can quickly lead to the family budget becoming stretched to breaking point.

As shown in the table 38% of FTCT grants approved were for children affected by parental circumstances, such as financial hardship, redundancy, mental health, domestic violence or bereavement to support with essential items such as clothing, school uniform, bedroom furniture, appliances and home items and more. From July 2020 to June 2021, 33% of grants awarded were for families financially affected by Covid-19 – either through furlough or redundancy. During Covid-19, the Charity adapted its grant offer to include tablets and laptops, to enable primary and secondary children to access online teaching.

29% of FTCT grants were for children with special needs or disability. Typically, grants were for extra tuition, speech and language therapy, specialist equipment, learning adaptations, occupational therapy, laptops to support learning and essential child access modifications to the family home.

One of the largest grants awarded to a family during the year was to Ned, a child with cerebral palsy. FTCT contributed towards Ned's electric wheelchair. Ned's mum told FTCT:

"Without the grant I still believe we would be on an NHS waiting list to be approved for an electrical wheelchair and Ned would have missed out on an entire summer of using the countryside and beach that he so loves and either my husband or I would have had to step down from work for the season to stay at home with our son – losing half our income."

The FTCT team and Board of Trustees remain committed to significantly increasing the number of children we assist, to support families who work in our industry. Over the last five years, the Charity has achieved a 22.19% average year-on-year growth in the total value of grants awarded, alongside a 36.30% average year-on-year growth in the number of children supported.

	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Charitable activities	£174,050	£287,138	£362,131	£299,153	£398,134	£474,150
No of children	223	617	680	613	824	1,060

FTCT Outreach Campaign 2020/21

With the high level of demand during Covid-19, FTCT monitored trade / national press on a day-to-day basis ensuring that all notifications re: fashion and textile company administrations were acted on within 24 hours. Where the company was known to FTCT, direct contact was made. For companies such as Arcadia, FTCT used LinkedIn to maximise awareness with Chief HR Managers, Store Managers and Area Managers, who in turn cascaded FTCT's grant information to their employees. This resulted in, for example, a total of £42,330 grants being made to Arcadia employees.

Long standing partnerships also continued during Covid-19 with major high street fashion retailers such as John Lewis Partnership, M&S and NEXT: this continued to be reflected in a significant number of employees supported with an FTCT grant in each of these companies.

Partnerships with trade bodies also continued, notably with the Textile Services Association (TSA) and the National Laundry Group (NLG). A new partnership was also formed with the Textile Recycling Association (TRA), a trade association for collectors, sorters, processors and exporters of used clothing and textiles.

From feedback, we know that FTCT can be a place for families to turn to, when all other avenues have been exhausted. One family who was financially affected by Covid-19, told FTCT:

"A great help at a difficult time after being made redundant as a result of the pandemic/Covid-19. Friendly and quick responses to all queries. A fantastic organisation that I didn't know about until I got their leaflet in amongst my paperwork from my previous employer."

Stakeholder support: Drapers' Charity of choice: FTCT would like to thank Kirsty McGregor, Editor and also Isabella Fish, News Editor Drapers magazine, in particular for their ongoing support. FTCT worked closely with Drapers to integrate with the new virtual format for the Drapers Digital Festival, 30 September 2020 to 1 October 2020, producing a short video to be displayed at the beginning of the online conference.

The online Drapers x FTCT Covid-19 Appeal launched in April 2020 in partnership with FTCT to replace the in-person events due in 2020/21, has raised £40,291 to date. FTCT will continue to work towards the planned target of £60,000 in the coming year. Our thanks to all those who have donated so generously.

Net Fundraising: £82,479 for 2020/21. This included:

£15,000	Next Plc
£10,000	Marks & Spencer
£10,000	John Lewis
£10,000	Brora Clothing UK
£7,500	Pavers Foundation
£5,000	JP Boden & Co
£3,500	Four Marketing Ltd
£2,000	Pentex
£1,500	Rowan Bental Charitable Trust
£1,020	Jensen UK Laundry Co.
£1,000	Worshipful Company of Launderers
£15,959	Other Corporate & Individual Donations: Alice Made This, Drapers Xmas Prize Draw

As part of the new five-year strategy, the Board of Trustees have agreed to work with a fundraising consultancy to review current fundraising and support with the development of a fundraising strategy.

Grant making policies and procedures

The grants continue to be categorised in the following ways: Small Grant: up to £750, Medium Grant: one off grant of £750+ payable in the year and Large Grant: £750+ awarded for an ongoing grant over a number of years – this could, for example, be for ongoing therapies.

Our grants can be awarded to those who currently work in the industry or have previously worked within the last nine years, providing that they have worked for a minimum of one year.

Grants typically provided by FTCT include:

Essential items	Specialist items
Clothing and shoes	Mobility equipment
School uniforms / PE Kit	Sensory toys
Children's bedroom furniture / Bedding	Speech therapy
White goods (fridge, cooker and washing machine)	Respite activities
Essential household items	Specialist clothing
Study Essentials – Tablets / Laptops etc.	

Public Benefit Statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

FINANCIAL REVIEW

Total income received during the year decreased by 7% to £345,916 compared with £371,827 in the previous year. Investment income from securities has reflected 12% decrease in returns from the previous year as a continued result of the measured transition to rebalance the capital base mix of the investment fund portfolio to reflect the adopted total returns policy. Income performance was aided by a 7% increase in returns from donations and fundraising incomes, £82,479 compared to £76,871 in the previous year, reflecting outperformance in Corporate/Community events and Corporate/Individual donations.

Total expenditure during the year amounted to £823,454 a 3% decrease compared to £849,819 spent in the previous year. This decrease is attributed to a 12% rise in expenditure relating to charitable activities. This reflects the strategic growth objectives in the grants programme, exemplifying the introduction of grant policies to further redefine the application criteria. The policy change was made to reflect the current and future anticipated socio-economic climate to ensure the grants are awarded to those families where there is a specific case of need against the revised benchmarks. Additionally, growth has been augmented by the increasing demand for support due to the consequential impact of the Covid-19 pandemic. The increase in expenditure on charitable activities is alleviated by a 67% fall, when compared to the previous year, on expenditure on raising funds. This is due to savings resulting from the effects of relocating to a smaller office and integrating hybrid ways of working as the Charity's response to the impact of Covid-19. This is coupled with the final amortisation charge on intangible assets and a revision to investment management fees in the previous year. As a result, the structural operating deficit has reduced by £454 to £477,538 compared to the £477,992 deficit generated last year.

Investment performance

The Trust's investments are managed on a discretionary basis by Quilter Cheviot. The Trustees have adopted a total return policy, with an investment objective of achieving long-term capital growth to the value of the portfolio, as well as generating agreed income levels through diversified funds and individual holdings in fixed income stocks, equities, alternative investments and cash. Historically, the emphasis had focused on income generation. The Trust's risk appetite remains medium, limiting equity exposure to a maximum of 75% of the portfolio, allowing the fund to accept a moderate variation or disruption to capital value or current income in order to meet the Charity's longer-term objectives.

The total income from the Trust's investment portfolio declined to £260,951 from the previous year's total of £294,956, which was assisted by a special dividend from Tesco. The investment portfolio also generated a realised gain of £855,342 (2019/20: gain of £322,864) from the sale of securities and an unrealised gain of £66,030 (2019/20: loss of £656,615) based on the market value of shares at the balance sheet date.

During the year to 30 June 2021, the portfolio increased in capital terms by 12.9% and generated an income return of 3.6%, so overall a net total return of 16.5%. This compared to an increase in the benchmark, the MSCI PIMFA Balanced Index of 15.2% and the Asset Risk Consultants (ARC) Charity Steady Growth Index of 16.6%. On a rolling 5-year basis, the portfolio has delivered a compound net total return of 51.6%, against 45.0% for the benchmark and 44.7% for the ARC Charity Steady Growth Index.

Across the individual asset classes, the portfolio enjoyed positive returns from fixed interest holdings, with the overweight position towards corporate bonds, over and above UK Gilts proving especially beneficial, with the latter reporting losses for the year. Amongst the equities, the portfolio enjoyed strong outperformance in Japan and significant outperformance in Asia – 37.4% as against 24.9% for the MSCI AC Asia Pacific ex Japan and the global funds. This made up for strong double digit, but on this occasion, market lagging returns elsewhere. In the round, pleasing, with the North American and European positions only marginally lagging the market, after being comfortably ahead last year. The alternative investments, that comprise exposure to infrastructure, renewable energy, property and private equity delivered a positive net total return of 7.7%, usefully ahead of the -6.5% decline in UK Gilts and marginally ahead of the 7.5% delivered by absolute return strategies.

The managers are confident, as demonstrated during the worst periods of the pandemic, that the portfolio remains suitably well-diversified to withstand a reasonable level of capital volatility over the medium to long term, but cannot exclude the ever present risk of sharp movements in the short term. The managers expect that the ongoing impact of Covid-19 and variants, shorter-term supply chain constraints, the debate over the level of inflation and ongoing friction between the United States and China will all continue to contribute to market volatility in the year ahead. Overall, though, they remain positive for the long-term prospects of the current investment strategy.

The Investment Committee continues to monitor the activities of the portfolio manager and is satisfied with Quilter Cheviot's performance.

Reserves policy

The Trustees' policy is to distribute the income from investments and other sources to meet charitable demands, whilst optimising running costs and protecting the capital base to ensure that the Trust is in a position to meet all future charitable needs. In 2020/21 the sum of £443,834 was added to reserves (2019/20: £811,744 was deducted from reserves), mainly due to a £1,255,578 combine overall growth in realised and unrealised gains on investment assets compared to prior year.

Total unrestricted income funds have reduced to £0 (2020: £7,500) these funds were designated to fulfil commitments already made to support children's educational needs. These commitments will finally be discharged in June 2022.

They were conditional based on an annual review addressing the progress of the child concerned and any changes in the grants to support educational needs or in the financial situation of the parents. Dependent upon this, the grant was either continued at the previous level or increased (providing evidence is shown). In line with the Board's directive as from 1 July 2019, no further contributions will be considered for these types of grants.

Total endowment funds amount to £8,332,011 (2020: £7,881,917) all of which relates to the expendable endowment fund.

Investment policy

The Trustees appoint Investment Managers and delegate to them power at their discretion to buy and sell investments on their behalf in accordance with the investment policy laid down by the Trustees. The investment policy objectives are to achieve long-term capital growth and agreed income levels through diversified funds of fixed income stocks, equities and cash. An income target is agreed with the Trustees each year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The principal addresses and details of professional advisers are included in the information sheet at the front of these accounts.

Governing Document

The Trust is constituted under a Declaration of Trust, dated 23 September 1968, amended by Charity Commission Scheme 214 (s) sealed 18 December 1995.

Appointment of Trustees

The Trust Deed of 1968 requires a minimum of four and a maximum of eighteen Trustees. Trustees are invited to join the Board; preference is given to those who are currently employed in senior positions in the fashion and textile, retail and manufacturing industry. Trustees, excluding the Chair, are elected by a resolution of the Trustees and serve for a period of four years after which they can be re-elected.

The Chair is elected by the Trustees and serves for a period of three years and a maximum of six years in the event of re-election.

Induction and Training

Each prospective Trustee meets with the Director and the Nominations Committee and also attends a Trustee Meeting in advance of their appointment being confirmed. A Trustee Induction Pack is given to all new Trustees, which includes details of the Charity, our Trust Deed, legal responsibilities and the latest governance information produced by the Charity Commission.

Organisation

The Charity is governed by a Board of eight Trustees, operating under the day to day management of the Chief Executive and team.

The Trustees below all held office from 1 July 2020 to 30 June 2021:

Mike Taylor, (Chair of Trustees), Commercial Director, British Heart Foundation

Mike Trotman, (Chair, Finance Committee) CFO, Tom Dixon Group

David Shepherd, (Former COO Trading, Arcadia)

Ryan Becker, Managing Director, UK Visual Immersion

Vanessa Elias, Managing Director, CVUK

Robert Bready, Freelance Executive Consultant

Richard Sims, Consultant

Kristin Cramborn Knoflach, Senior Marketing Manager, Klarna

There are three sub-committees:

Finance Committee (Chair, Finance Committee Mike Trotman and Chair, FTCT, Mike Taylor) are responsible for the monitoring and control of total income, expenditure and for supervision of the Accounts. The performance of Quilter Cheviot is monitored by the Finance Committee.

Cases Committee is responsible for assessing applications and reviewing grants over £750 per child, submitted by the Grants Manager. There are currently two members of the Cases Committee, David Shepherd, Vanessa Elias, Trustees.

Nominations Committee (Non-operational at present: no Trustee appointments pending)

TRUSTEES' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Charity's Trustees are responsible for preparing the Trustee's Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments' and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 operation.

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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the

Trust Deed. The Trustees 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.

This Annual Report was approved by the Trustees on 25 January 2022 and signed on their behalf by:


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Mike Taylor
Chair of Trustees

Opinion

We have audited the financial statements of Fashion and Textiles Children's Trust for the year ended 30 June 2021 which comprise statement of financial activities, balance sheet 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 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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	Westpoint
	Peterborough Business Park
Chartered Accountants	Lynch Wood
	Peterborough
Registered Auditors	PE2 6FZ

Date: 31 January 2022

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

FASHION & TEXTILE CHILDREN'S TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Unrestricted Income Funds £	Endowment Funds* £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies		-	25,779	25,779	16,176
Other trading activities		-	56,701	56,701	60,695
Income from Investments	2	260,951	-	260,951	294,956
Other incoming resources		-	2,485	2,485	-
Total Income and endowments		<u>260,951</u>	<u>84,965</u>	<u>345,916</u>	<u>371,827</u>
Expenditure on:					
Raising Funds	4	52,775	-	52,775	158,296
Charitable activities	5	770,679	-	770,679	691,523
Total Expenditure	3	<u>823,454</u>	<u>-</u>	<u>823,454</u>	<u>849,819</u>
Net gains/(losses) on investments	12	-	921,372	921,372	(333,752)
Net income/(expenditure)		<u>(562,503)</u>	<u>1,006,337</u>	<u>443,834</u>	<u>(811,744)</u>
Transfer between funds	16	555,003	(555,003)	-	-
Net (outgoing) resources before other recognised gains and losses		<u>(7,500)</u>	<u>451,334</u>	<u>443,834</u>	<u>(811,744)</u>
Other gains/(losses)		-	-	-	-
Net movement in funds for the year		<u>(7,500)</u>	<u>451,334</u>	<u>443,834</u>	<u>(811,744)</u>
Total funds brought forward	16	7,500	7,880,677	7,888,177	8,699,921
Total funds carried forward		<u>-</u>	<u>8,332,011</u>	<u>8,332,011</u>	<u>7,888,177</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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

* The Endowment funds are mainly expendable as shown in note 16 on page 27.

Comparative figures are included on page 28

BALANCE SHEET**AS AT 30 JUNE 2021**

	Notes	2021 £	2020 £
Fixed assets			
Intangible fixed assets	11	-	-
Tangible fixed assets	11	4,870	2,482
Investments	12	8,023,022	7,854,804
		<u>8,027,892</u>	<u>7,857,286</u>
Current assets			
Debtors and prepayments	13	31,425	62,290
Deposit accounts		-	-
Cash at bank		<u>313,286</u>	<u>73,846</u>
		344,711	136,136
Creditors: amounts falling due within one year	14	<u>(40,592)</u>	<u>(105,245)</u>
Net current (liabilities)/assets		<u>304,119</u>	<u>30,891</u>
Net assets		<u>8,332,011</u>	<u>7,888,177</u>
Unrestricted income funds			
- Designated fund	16	<u>-</u>	<u>7,500</u>
		<u>-</u>	<u>7,500</u>
Endowment funds			
- Expendable endowment	16	8,332,011	7,880,677
- Permanent endowment		<u>-</u>	<u>-</u>
		<u>8,332,011</u>	<u>7,880,677</u>
Total funds		<u>8,332,011</u>	<u>7,888,177</u>

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

These accounts were approved by the Trustees on 25 January 2022 and signed on their behalf by:



Mike Taylor
Chair of Trustees



Mike Trotman
Chairman Finance Committee

Charity information

The Fashion & Textile Children's Trust is a Charity domiciled and registered in England and Wales. The principal office is The Space UK, 235 High Holborn, London, WC1V 7LE. (FTCT moved to its new premises in Holborn in December 2020. The size of the office is significantly less, resulting in reduced overall costs.)

1 Accounting policies

1.1 Basis of accounting

These financial statements for the year ended 30 June 2021 of Fashion & Textile Children's Trust are prepared in accordance with the Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities. The accounts have been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – 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.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

Income is included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be measured with sufficient reliability. Incoming resources are categorised as follows:

Donations and legacies comprise gross amounts received by way of legacies, covenants, gift aid and donations and forms part of the expendable endowment. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. It is the Trustees' policy to treat any unrestricted legacy received as part of the Expendable Endowment; the object being to enhance the Trust's income available for use over future years, so that future beneficiaries can receive the direct benefits of the legacy occurred.

Other trading activities comprise gross amounts received by way of appeal projects and form part of the expendable endowment. Income from appeals is deferred where the income relates to the occurrence of a future event, the cancellation of which would result in a refund of the monies raised.

Income from investments comprises amounts receivable by way of dividends and interest and forms part of the unrestricted general fund.

Other income comprises of the receipts of any resources, which the Charity has not been able to allocate within the main income categories and forms part of the unrestricted funds or the endowment funds.

1 Accounting policies (continued)

1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis, inclusive of VAT and is reported as part of the expenditure to which it relates.

Expenditure on raising funds comprises the costs associated with attracting voluntary income, fundraising events and investment management costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include the costs associated with the general running and statutory requirements of the Charity and are recognised within support costs. It consists of auditors' remuneration and management and administration costs.

Costs are allocated between expenditure categories on a basis designed to reflect the use of the resource. Costs, including overheads relating to a particular activity are allocated directly. Support costs are apportioned on an appropriate basis e.g. staff time and estimated usage.

1.5 Fund raising and publicity costs

These include direct expenditure and support costs involved in raising the profile of the Charity and in fundraising events.

1.6 Pensions

This is a non-contractual payment to top up the pension of a former employee of the Royal Russell School. This payment is accounted for on a paid basis.

1.7 Grants payable

Grants are made in order to give financial support to families for day to day and specialist items aligned with the charitable objectives of the Charity. The liability for grants payable is recognised in the year in which the offer is made. The amount charged to the Statement of Financial Activities for the year comprises both grants paid in the year and payable within one year. The commitment in respect of grants payable within one year are included in creditors, where the commitment has been communicated in writing prior to the balance sheet date. The commitment in respect of future payments due after one year is accounted for by a transfer to designated funds. The amount held in the designated fund is therefore disclosed as a future liability to reflect the fact that the Trustees carry out an annual review of all grants payable and retain the discretion to terminate any grant.

1.8 Fixed Assets

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	-	3 years
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1 Accounting policies (continued)

Tangible Fixed Assets

Depreciation of fixed assets is provided by equal annual instalments, calculated to write off the cost of assets over their estimated useful lives. These are:

Computer equipment	-	5 years
Office equipment	-	10 years

All assets, which have a useful economic life of more than one year, are capitalised at cost.

1.9 Investments

Investments are included in the accounts at the market value ruling at the balance sheet date. The unrealised gains and losses arising as a result, together with any realised gains and losses on investments disposed of in the year, are included in the Statement of Financial Activities, forming part of the expendable endowment. Income from investments is recognised on an accruals basis and forms part of the unrestricted general fund.

1.10 Fund accounting

Funds held by the Charity are either:-

Unrestricted general funds:-

The general fund represents funds that can be used in accordance with the charitable objectives, at the discretion of the trustees and without having to take account of any restrictions. Any shortfall in the general fund is supplemented by a transfer from the Expendable Endowment, in accordance with the Trust Deed.

Designated funds:-

These funds represent the cost of ongoing grants for children currently receiving support. Transfers are made to or from the fund from the expendable endowment each year. The balance on the fund represents a future liability, being the amount committed by the trustees to specific charitable expenditure, communicated in writing prior to the balance sheet date and falling due for payment after more than one year. The payment of future grants is contingent upon the grant conditions being met and is subject to an annual review by the trustees, who retain the discretion to terminate any grant. These funds are treated as unrestricted.

Expendable endowment funds:-

These represent income received, which is credited to the fund in accordance with the trust deed, from which gifts or loans may be made to supplement any shortfall on the general fund or designated fund.

Permanent endowment funds:-

These funds represent the value at which donated assets have been capitalised. These assets were donated specifically for the purpose of use in fund raising events.

1 Accounting policies (continued)

1.11 Financial Instruments

Financial assets are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through the statement of financial activities are measured at fair value.

1 Accounting policies (continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

1.12 Cash and cash equivalents

Cash at bank and cash in hand includes short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Taxation

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

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Income from investments

	2021	2020
	£	£
Dividends, distributions and interest on bonds receivable	260,951	294,956
	<u>260,951</u>	<u>294,956</u>

3 Expenditure

	Direct Costs £	Support Costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds (note 4)	(3,120)	55,895	52,775	158,296
Charitable activities (note 5)	520,236	250,443	770,679	691,523
	<u>517,116</u>	<u>306,338</u>	<u>823,454</u>	<u>849,819</u>

FASHION & TEXTILE CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

4 Expenditure on raising funds

	2021	2020
	£	£
Costs of generating voluntary income		
Fundraising costs	1,284	19,942
Advertising & website costs	967	543
Publicity	4,337	4,855
Recruitment	989	25
Other costs	8,214	9,714
	<u>15,791</u>	<u>35,079</u>
Support costs (note 8)	<u>55,895</u>	<u>83,781</u>
	71,686	118,860
Investment management costs	<u>(18,911)</u>	<u>39,436</u>
	<u>52,775</u>	<u>158,296</u>

Investment management costs for 2021 includes the reversal of £39,436 commission offset credit applied in error from prior year management fees resulting in a credit balance of £18,911.

5 Charitable activities

	Grants (note 6)	Direct costs	Support costs (note 8)	Total 2021	Total 2020
	£	£	£	£	£
Large Grants	6,334	20,316	60,242	86,892	107,471
Medium and Small Grants	467,816	22,318	189,662	679,796	577,852
Pension	-	3,452	539	3,991	6,200
2021	<u>474,150</u>	<u>46,086</u>	<u>250,443</u>	<u>770,679</u>	<u>691,523</u>
2020	<u>398,134</u>	<u>42,639</u>	<u>250,750</u>		

6 Analysis of new grants

	2021	2020
	£	£
Large Grants (paid & payable)		
- Paid directly to educational organisations on behalf of individuals	7,500	32,523
- Paid to individuals	-	-
- Prior year commitments reversed	(1,166)	(4,151)
	<u>6,334</u>	<u>28,372</u>
Medium Grants (paid & payable)		
- Paid directly to organisations on behalf of individuals	-	11,182
- Paid to individuals	60,605	28,275
	<u>60,605</u>	<u>39,457</u>
Small Grants (paid & payable)		
- Paid directly to organisations on behalf of individuals	-	-
- Paid to individuals	407,211	330,305
	<u>407,211</u>	<u>330,305</u>
Total grants for the year	<u>474,150</u>	<u>398,134</u>

FASHION & TEXTILE CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

7 Governance costs

	2021	2020
	£	£
Audit fees (note 10)	10,380	9,360
Insurance	2,061	1,745
Professional fees (including Consultancy)	1,140	4,919
Other office costs	3,021	3,161
	<u>16,602</u>	<u>19,185</u>
Support costs (note 8)	<u>(16,602)</u>	<u>(19,185)</u>
	<u>-</u>	<u>-</u>

8 Support costs

	2021	2020
	£	£
Staff costs (note 9)	251,219	263,641
Bookkeeping costs (note 10)	1,224	1,320
Office costs	35,004	43,062
Amortisation	-	6,000
Depreciation	2,289	1,323
Governance costs (note 7)	16,602	19,185
	<u>306,338</u>	<u>334,531</u>
Allocated to:		
Expenditure on raising funds (note 4)	55,895	83,781
Charitable activities (note 5)	250,443	250,750
	<u>306,338</u>	<u>334,531</u>

9 Employees

	2021	2020
	£	£
Wages and salaries	223,344	234,344
National insurance	21,387	22,507
Employer's Pension	6,488	6,790
	<u>251,219</u>	<u>263,641</u>

	Number	Number
Number of employees		
The average number of employees during the year was:		
Management and administration	<u>7</u>	<u>7</u>

One employee earns in excess of £60,000 but less than £90,000 per annum (2020: one)

Total remuneration of key management personnel was £119,834 (2020: £117,895)

FASHION & TEXTILE CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

10 **Auditors and Accountants' remuneration**

		2021 £	2020 £
Audit	Saffery Champness	10,380	9,360
Bookkeeping	Bookkeeping & Office Services	1,224	1,320
		<u>11,604</u>	<u>10,680</u>

11 **Fixed Assets**

Intangible fixed assets

	Website £	Total £
Cost		
At 1 July 2020	18,000	18,000
Additions	-	-
At 30 June 2021	<u>18,000</u>	<u>18,000</u>
Amortisation and impairment		
At 1 July 2020	18,000	18,000
Charge for the year	-	-
At 30 June 2021	<u>18,000</u>	<u>18,000</u>
Net book value		
At 30 June 2021	<u>-</u>	<u>-</u>
At 30 June 2020	<u>-</u>	<u>-</u>

Tangible fixed assets

	Computer Equipment £	Office Equipment £	Total £
Cost			
At 1 July 2020	19,465	1,407	20,872
Additions	4,678	-	4,678
Disposals	-	(1,407)	-
At 30 June 2021	<u>24,143</u>	<u>-</u>	<u>25,550</u>
Depreciation			
At 1 July 2020	17,447	944	18,391
Charge for the year	1,826	70	1,896
Disposals	-	(1,014)	393
At 30 June 2021	<u>19,273</u>	<u>-</u>	<u>20,680</u>
Net book value			
At 30 June 2021	<u>4,870</u>	<u>-</u>	<u>4,870</u>
At 30 June 2020	<u>2,019</u>	<u>463</u>	<u>2,482</u>

FASHION & TEXTILE CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

12 Investments

	2021 £	2020 £
Quoted investments		
Market value at 1 July 2020	7,767,437	8,279,547
Additions and other adjustments	1,520,446	2,498,824
Disposals (proceeds £2,491,924; gain £855,342)	(1,636,582)	(2,354,319)
Unrealised gain/(loss) on investments	66,030	(656,615)
Market value at 30 June 2021	<u>7,717,331</u>	<u>7,767,437</u>
Cash held at investment managers	305,691	87,367
	<u>8,023,022</u>	<u>7,854,804</u>
Historical cost at 30 June 2021	<u>6,110,979</u>	<u>6,227,115</u>

All investments are held primarily to provide an investment return for the Charity.

Geographical Analysis

	2021 £	2020 £
United Kingdom - Fixed Interest	1,021,494	1,102,768
- Equity	1,980,886	2,058,422
Europe - Equity	563,250	524,759
USA - Equity	1,707,602	1,791,112
Asia - Equity	304,519	349,305
Japan - Equity	206,010	202,310
Emerging Markets - Equity	317,709	349,358
Global - Equity	355,210	218,359
Alternative - Property	-	-
Investments - Equity	<u>1,260,651</u>	<u>1,171,044</u>
	<u>7,717,331</u>	<u>7,767,437</u>

All investment income is derived from investments traded on the UK stock exchange.

13 Debtors and prepayments

	2021 £	2020 £
Other debtors	3,400	7,755
Prepayments	4,660	14,808
Accrued income	<u>23,365</u>	<u>39,727</u>
	<u>31,425</u>	<u>62,290</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Large Grants payable (see below)	7,500	32,523
Medium and Small Grants payable (see below)	5,350	15,369
Taxation and Social security	5,831	5,123
Company Credit card	413	474
Other creditors	-	-
Accruals	21,498	51,756
	<u>40,592</u>	<u>105,245</u>

The Trustees have included as a liability, grants payable within one year that have been communicated in writing prior to the balance sheet date.

	2021	2020
	£	£
Large Grants payable at 1 July 2020	32,523	38,875
Medium Grants payable at 1 July 2020	14,769	3,528
Small Grants payable at 1 July 2020	600	-
	<u>47,892</u>	<u>42,403</u>
New commitments/ Transfers to/from designated fund (note 6)	474,150	398,134
Paid during the year	<u>(509,192)</u>	<u>(392,645)</u>
	<u>12,850</u>	<u>47,892</u>
Large Grants payable at 30 June 2021	7,500	32,523
Medium Grants payable at 30 June 2021	5,350	14,769
Small Grants payable at 30 June 2021	-	600
Total Grants carried forward payable 2021/22	<u>12,850</u>	<u>47,892</u>

15 Grant commitments

The amount committed by the Trustees to specific charitable expenditure, communicated in writing prior to the balance sheet date and falling due for payment after more than one year, has been accounted for by way of a transfer to the designated fund. These relate to support for children with additional needs, at fee paying schools: in October 2018, the Board unanimously agreed that no further contributions would be considered for the above as from 1 July 2019. During 2021/22 this will decrease to £7,500, with the final grant payments concluding in June 2022.

The payment of future grants is contingent upon grant conditions being met and is subject to an annual review by the Trustees, who retain the discretion to terminate any grant. The balance on the designated fund, representing the future liability at the balance sheet date was £0 (2020: £7,500).

FASHION & TEXTILE CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2021

16 Funds

	Unrestricted		Restricted		Total
	General fund	Designated fund	Expendable endowment	Permanent endowment	
	£	£	£	£	£
At 1 July 2020	-	7,500	7,880,677	-	7,888,177
Income	260,951	-	84,965	-	345,916
Expenditure	(823,454)	-	-	-	(823,454)
Transfers	562,503	(7,500)	(555,003)	-	-
Gain/(loss) on revaluation and disposal of investment assets	-	-	921,372	-	921,372
At 30 June 2021	-	-	8,332,011	-	8,332,011

17 Analysis of assets between funds

	Unrestricted		Restricted		Total
	General fund	Designated fund	Expendable endowment	Permanent endowment	
	£	£	£	£	£
Intangible fixed assets	-	-	-	-	-
Tangible fixed assets	-	-	4,870	-	4,870
Investments	-	-	8,023,022	-	8,023,022
Current assets	-	-	344,711	-	344,711
Current liabilities	-	-	(40,592)	-	(40,592)
	-	-	8,332,011	-	8,332,011

18 Related Parties

No Trustee, or persons connected with the Trustees, received any remuneration or were reimbursed any expenses from the Charity during the year (2019-20: None)

FASHION & TEXTILE CHILDREN'S TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Unrestricted Income Funds £	Endowment Funds* £	Total 2020 £
Income and endowments from:				
Donations and legacies		-	16,176	16,176
Other trading activities		-	60,695	60,695
Income from Investments	2	294,956	-	294,956
Total Income and endowments		<u>294,956</u>	<u>76,871</u>	<u>371,827</u>
Expenditure on:				
Raising Funds	4	157,211	1,085	158,296
Charitable activities	5	686,608	4,915	691,523
Total Expenditure	3	<u>843,819</u>	<u>6,000</u>	<u>849,819</u>
Net Loss on investments	12	-	(333,752)	(333,752)
Net expenditure		<u>(548,863)</u>	<u>(262,881)</u>	<u>(811,744)</u>
Transfer between funds		516,340	(516,340)	-
Net (outgoing) resources before other recognised gains and losses		<u>(32,523)</u>	<u>(779,221)</u>	<u>(811,744)</u>
Other gains/(losses)		-	-	-
Net movement in funds for the year		<u>(32,523)</u>	<u>(779,221)</u>	<u>(811,744)</u>
Total funds brought forward		40,023	8,659,898	8,699,921
Total funds carried forward		<u>7,500</u>	<u>7,880,677</u>	<u>7,888,177</u>