THE CLOTHWORKERS' FOUNDATION

England & Wales · Charity number 274100

Details

Status	Registered
Legal form	Charitable company
Company number	01321952
Registered	1977-07-26
Register	View on the Charity Commission register

Contact

Address	First Floor 16 Eastcheap London
Phone	02076237041
Email	foundation@clothworkers.co.uk
Website	clothworkersfoundation.org.uk

Activities

Objects: FOR THE ADVANCEMENT OF SUCH CHARITABLE PURPOSES AS THE FOUNDATION SHALL FROM TIME TO TIME DETERMINE.

Activities: To make grants to UK frontline charities to support projects or programmes in defined areas of need.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

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Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£13,052,000	£12,607,000	£380,102,000	0
2023-12-31	£28,445,000	£10,740,000	£350,556,000	0
2022-12-31	£80,072,239	£8,687,258	£317,656,403	0
2021-12-31	£11,642,869	£7,988,224	£265,286,938	0
2020-12-31	£9,285,225	£10,037,899	£232,701,281	0

Trustees

Name	Role	Appointed
SUSANNA PRIESTLEY O'LEARY	Chair	2018-09-11
Amir Rizwan		2022-09-27
Catherine Jane Cornish		2026-03-19
Clare Jemma Evelyn		2026-03-19
DHRUV PRASHANT PATEL		2021-06-30
Dr Hugo Slim		2022-09-27
Frederick Thomas Ingham Clark		2023-06-28
Hugo Edward William Robinson		2025-03-18
Leslie Peter Jonas		2023-06-28
Mary Ann Slim		2025-06-25
Meredith Niles		2025-03-18
Neel Purshottam Patani		2020-09-23
Niki Scordi		2025-03-18
OLA OPOOSUN		2021-02-12
THOMAS RICHARD MALCOLM STODDART-SCOTT		2019-08-31

Linked charities

- MARGARET HOLLIGRAVE (274100-1)

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THE CLOTHWORKERS' FOUNDATION

England & Wales - Charity number 274100

Accounts

Company No. 1321952
Charity Commission Registration Number 274100



THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL REPORT

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Company No. 1321952
Charity Commission Registration Number 274100

REPORT OF THE TRUSTEES

TRUSTEES AND PROFESSIONAL ADVISERS

TRUSTEES	Susanna O'Leary (Chair) Denis Clough *(appointed 1 July 2024)* Charlie Hutchins Emma Ingham Clark *(resigned 31 March 2025)* Tom Ingham Clark Michael Jarvis *(resigned 1 July 2024)* Peter Jonas Meredith Niles *(appointed 18 March 2025)* Ola Opoosun Neel Patani Dhruv Patel Amir Rizwan Hugo Robinson *(appointed 18 March 2025)* Niki Scordi *(appointed 18 March 2025)* Hugo Slim Tom Stoddart-Scott Hanif Virji *(resigned 2 September 2024)*
CHIEF EXECUTIVE	Jocelyn Stuart-Grumbar
FOUNDATION DIRECTOR	Jenny North
DIRECTOR OF FINANCE, PROPERTY & INVESTMENTS	Hamesh Patel
REGISTERED OFFICE AND PRINCIPAL ADDRESS	First floor 16 Eastcheap London EC3M 1BD
AUDITOR	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
BANKERS	Bank of Scotland London Chief Office Old Broad Street London EC3M 1BD
INVESTMENT MANAGERS	Blackrock Advisors (UK) Murray House 1 Royal Mint Street London EC3N 4HH
WEBSITE	www.clothworkersfoundation.org.uk
CHARITY COMMISSION REGISTRATION NUMBER	274100
COMPANY REGISTRATION NUMBER	1321952

REPORT OF THE TRUSTEES

The Trustees present their Report and the financial statements of the Foundation for the year ended 31 December 2024; these have been prepared in accordance with the provisions of the Statement of Recommended Practice (FRS102), *Accounting and Reporting by Charities*, (the "SORP"). The information on the preceding pages forms part of this report. This report also includes the information required in a Directors' Report and a Strategic Report for the purposes of company law.

THE 2024 CONTEXT

During 2023, the Foundation began the implementation of its new strategy, agreed at the end of 2022. This new strategy committed the Foundation to:

- The continuation of our Open Grants Programme to support the infrastructure needs of small and medium sized not-for-profit organisations working across our Programme Areas
- The launch of Equity programmes providing unrestricted multi-year grants to organisations addressing specific areas of inequity
- The deployment of social investment where this can support organisations' impact and/or sustainability
- To implement improvements across our grantmaking and governance to help us operate more in line with our values: equitable, adaptive, enabling, collaborative.

Since the launch of the strategy we have seen a significant change in context – namely demand for our Open Grants. The number of applications doubled in 2024 compared to 2022 levels. The Trustees agreed to increase our 2024 grantmaking budget in-year to respond to this demand, and the number of grants made increased significantly compared to 2023.

VISION, MISSION AND VALUES

As part of the 2022 Strategic Review, the Trustees of The Foundation adopted the following:

Vision:

An equitable society where all can participate and thrive.

Mission:

We support charities and social businesses that work with marginalised and disadvantaged people and communities, and those working towards a more equitable society.

Values:

Equitable - we work to promote equity in our grantmaking and organisation, and to identify and manage bias. We strive to increase participation and representation at all levels of our organisation to advance better decision-making.

Adaptive - we strive to be responsive to the needs of our grantees and to listen to their experience as experts. We learn from them, from our peers and from our own experience to drive improvements in our work. We adapt to external change when necessary.

Enabling – we strive to provide funding and support that enables our grantees to be more impactful and sustainable, and which minimises burden on them. We aim to empower our own team through flexible and trust-based ways of working.

Collaborative - we seek to work with other funders, research organisations, and networks. We do this to serve grantees more effectively, to learn, and to share our learning.

HISTORY, OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

History

The Clothworkers' Foundation was incorporated in 1977 as a company limited by guarantee; it is a registered charity.

In over 40 years of activity, grants in excess of £184 million have been made by the Foundation and subsidiary trusts, to charitable organisations and individuals.

The objects of the charity are the advancement of such charitable purposes as the Foundation shall from time to time determine.

The Clothworkers' Foundation aims, through its funding, to provide public benefit by improving the lives of people and communities, particularly those that face disadvantage.

Objectives

The objectives of the Foundation are:

- To manage its resources so as to ensure that the budget agreed for charitable grants may be distributed.
- To stimulate a flow of good quality eligible applications for funds that meet its criteria, by setting application guidelines with sufficient clarity to avoid charities wasting valuable resources in preparing submissions that are ineligible.
- To undertake an objective assessment of all applications for grants, appropriate to the scale of support contemplated.
- For the proactive programme, to develop sufficient understanding of the selected areas to allow it to identify particular activities to support and organisations with which to work.
- To maximise public benefit by distributing its income in the most effective way possible.
- To monitor the impact of the grants on the people and communities it seeks to help.
- To identify suitable initiatives for social investment.

Grantmaking Policy

The Foundation funds across a range of issues associated with marginalisation and disadvantage, through its open and proactive (not open to application) programmes. It undertakes a strategic review approximately every five years, with the most recent carried out in 2022.

The Foundation's grantmaking activities in 2024 were as follows:

- An Open Grants Programme funding capital projects of charities and social businesses operating in one or more of the following ten programme areas:
    - substance misuse and addiction
    - disabilities including mental health and visual impairment
    - communities experiencing racial inequalities
    - young people facing disadvantage
    - domestic and sexual abuse
    - homelessness
    - older people facing disadvantage
    - prison and rehabilitation
    - LGBT+ communities
    - economic disadvantage

Grantmaking Policy (continued)

Only charities with an annual operating income of less than £10 million are eligible to apply.

This programme makes Small Grants of up to £15,000 to charities and social businesses with an annual income of less than £2 million, and Large Grants of over £15,000 to charities and social businesses with annual income under £10 million.

- A Proactive Grants Programme was established in 2007, and the active initiatives during 2024 were: the Racial Equity Programme, Economic Equity Programme, Dramatic Arts II, and Care Leavers Programme.
- A Regular Grants Programme through which a limited number of charities selected by the Foundation receive grants subject to regular review.

Full details of the Foundation's grant-making policy and guidelines are provided on the website (www.clothworkersfoundation.org.uk); they are also published in the Annual Review, a copy of which may be downloaded from the website or obtained from The Clothworkers' Foundation, First Floor, 16 Eastcheap, London EC3M 1BD.

Social Investment Policy

The Foundation seeks to identify initiatives which are suited to a 'social investment' approach; these are regarded as being complementary to, and aligned with, existing grantmaking activities, and the overall mission of The Foundation. The main aim is to achieve a social impact with any financial return reinvested.

Recent Significant Activities and Achievements

Grants totalling £10.78 million, 492 in number (2023: 9.27 million, 359 in number), were committed during the year, across the various programmes.

Through these programmes, the Trustees consider that the Foundation provides public benefit by focusing resources in areas where impact can be made, and in accordance with its objectives.

All Foundation grants are published on 360Giving, and Case studies on selected projects are featured on the Foundation's website (www.clothworkersfoundation.org.uk) and Annual Review. However, a summary of each programme is set out below.

- ***Open Grants Programme***

  £8.66 million was committed under this programme, with £5.99 million being for Large Grants including building and refurbishment projects, large vehicles, and specialist equipment. £2.67 million was allocated for Small Grants, under which grants of up to £15,000 are made to capital projects for smaller charities.

- ***Regular Grants Programme***

  The Foundation continued to award grants to a small number of selected charities under the Regular Grants Programme, which does not accept applications. These grants are increasingly multi-year commitments. The focus of this Programme is to support organisations making onward grants to very small organisations and individuals in key areas of interest for The Foundation. Commitments totalling £0.5 million were made during 2024.

- ***Research, Development & Partnerships***

  This fund allows us to make grants to organisations not eligible for other programmes but which may have the potential to support our mission or to improve our knowledge. In 2024 this included grants made to organisations engaged in work to support the development and ownership of assets for communities. Commitments totalling £0.14 million were made during 2024, including support costs.

- ***Proactive Grants Programme***

  In 2024, we began our newest Proactive Programme, the Economic Equity Programme. We have committed £1.20 million (with additional resource for learning support), in unrestricted 'core' grants to five economic equity organisations since 2024.

  The programme aims to strengthen these organisations and enable them to deliver their strategies, all of which focus on improving economic stability and security for individuals and/or communities.

  Of our previous Proactive Programmes, Racial Equity, Care Leavers and Dramatic Arts II are active and fully committed.

- ***Clothworker Members' Fund***

  Six grants were also awarded from the Clothworker Members' Fund (which does not accept applications). This is a fund which receives donations from members of The Clothworkers' Company, and where the total is matched by a separate donation from The Company itself. Commitments in 2024 totalled £0.14 million.

- ***Social investment activities***

  Investments as at 31st December 2024 were:

	£'000
CAF Venturesome Development Fund(1)	17
London Play Design CIC(2)	22
Women in Safe Housing Fund	250
RefuAid	200
Charity Bank	1,000
Recovery Loan Fund(3)	385
TellMi(4)	100
	1,974

(1) £150,000 was originally invested as a loan. £25,000 was repaid in 2024, with further repayments expected in 2025.
(2) £50,000 was originally invested as a loan. £27,000 has been repaid to date, with further repayments expected in 2025.
(3) A commitment of £1,000,000 was made to the Recovery Loan Fund in 2024. £385,000 was drawn down during 2024.
(4) A commitment of £100,000 was made to TellMi in 2024 and fully drawn down.

FUTURE PLANS

The Foundation will continue to implement its current grantmaking strategy while trying to meet increased demand in an efficient, equitable and impactful way. The implementation of the 2022 investment strategy review commenced in 2024 and this will continue in 2025. The Trustees will assess options over the most effective and impactful use of the significant cash balances, which have arisen as a result of the cash donations from the Clothworkers' Company in 2022 and 2023. We will continue to appraise potential opportunities for further social investments.

In 2025, the Foundation will undertake work to redesign the Open Grants Programme to respond to increased demand in an efficient, equitable, and impactful way.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership and Governing Document

The Clothworkers' Company is the sole member of the Foundation.

The Foundation's governing documents are the Memorandum and Articles of Association.

Recruitment and Induction of Trustees

The Board of Trustees comprises between eight and fifteen individuals who, until 2020, had been drawn exclusively from the Court and Livery of The Company, offering a range of pertinent experience and qualifications. The Company's objective had been for the Foundation to have a board of Trustees which was balanced as to age and skills, capable of formulating the policies and strategies of the Foundation, and able to provide direction to the Chief Executive and staff on the conduct of its affairs.

Since 2020, the Board now includes members drawn from The Company's wider membership, and Trustees who are not members of The Company.

Trustees are expected to be conversant with their responsibilities. New Trustees have a full induction programme, and all Trustees are alerted to training and CPD opportunities as they arise. A register of training undertaken is maintained.

On their appointment, new Trustees are provided with a copy of the Policy and Procedures Manual (PPM) of the Foundation, which is a compilation of the key regulations, administrative arrangements, and codes of conduct by which the Foundation operates; the PPM is regularly reviewed.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Clothworkers' Foundation for the purposes of company law) 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).

Company law 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 charitable company, and of the incoming resources and application of resources, including the income and expenditure of the charitable company, 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 contained within 'Accounting and Reporting by Charities – Statement of Recommended Practice' (the SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the charitable company, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Foundation's auditors, and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

Public Benefit

The Trustees confirm that they have paid due regard to the guidance of the Charity Commission in respect of public benefit in reviewing aims and objectives, and in planning future activities, setting grantmaking policies, and awarding grants.

Fundraising

The Foundation derives all donation income from The Clothworkers' Company, the sole member, its subsidiaries and members. Therefore, the Foundation does not engage in any public fundraising activities. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Committees of the Board of Trustees

The Board of Trustees has delegated specific duties to a number of standing, and other, committees which deal with operational matters:

Grants Committee:	For assessment of Large grant applications under the Open Grants Programme
Proactive Grants Committee:	For assessments of grants under our Proactive Programmes, as well as review of progress of these programmes, and development of further programmes
Regular Grants Committee:	For assessment of annual or multi-year grants aligned with mission, but outside other programmes
Nominations Committee:	For consideration of Board, committee, and key staff appointments
Finance, Investment and General Purposes Committee:	For financial and investment strategy/management and general matters

There is also a Clothworker Members' Fund Committee which determines grants to be made from the Clothworker Members' Fund.

Decision-making Processes

Trustees' meetings are held four times each year. The business of these meetings is, broadly, to develop strategy, to set and monitor objectives, and to consider reports and recommendations from the standing committees referred to above.

The standing committees are permitted to make decisions on operational matters within the policies previously agreed by the Trustees; their duties are laid down in the policy and procedures manual. In particular, grants of up to £50,000 may be approved by the relevant committee. Above this threshold, the Trustee Board itself will make decisions as to whether to award a grant, a visit having been undertaken by a Trustee and a Visit Report viewed by the Board.

Committees have the ability to form sub-committees to deal with more detailed matters, and for taking decisions in accordance with delegated authorities agreed by the Trustees. Currently, there are three standing sub-committees, all of which report to the Finance, Investment and General Purposes Committee: Budget, Risk and Audit, and Social Investment.

The duties of these sub-committees reflect their areas of specialism.

The Budget Sub-Committee recommends the annual budget, and undertakes detailed monitoring of the budget throughout the year.

The principal duties of the Risk and Audit Sub-Committee are to determine the nature and scope of the audit, request specific investigations from the auditors from time to time, and consider any issues arising therefrom; to ensure that the assets and funds are accounted for and safeguarded; to ensure that adequate financial controls are maintained; to monitor compliance in all respects; and to review risk exposure and ensure that appropriate steps are taken to mitigate risks.

The Social Investment Sub-Committee assesses potential social investment opportunities and monitors the performance of the existing portfolio.

Risk Assessment - Principal Risks and Uncertainties

The major risks to which the Foundation is exposed, as identified by the Trustees, are reviewed on an annual basis, and systems have been established to manage those risks; this process is overseen by the Risk and Audit Sub-Committee. The Risk Register is reviewed and updated, discussed by the Finance, Investment and General Purposes Committee and approved by the Trustees annually.

The Trustees have identified the following principal risks which are assessed as a significant threat to the Foundation:

Reputational risk	• Transparency of strategy in Annual Review and via website. • Ongoing dialogue with stakeholders.
Inadequate financial controls	• Structured committee oversight. • Management processes in place.
Investment portfolio does not exhibit appropriate risk and return attributes	• Structured investment policy. • External investment advice and management. • Diversity, prudence and liquidity criteria. • Regular performance monitoring.
IT systems are inadequate and / or not robust	• Use of service and support contracts. • Security and authorisation procedures. • Ongoing monitoring of operating environment.

Accordingly, the Foundation has established prudent investment and spending policies. Most of its general income is derived from its listed investment portfolio, property portfolio, cash held or as a donation from The Clothworkers' Company, the latter being ultimately derived from listed and property investments. Subject to reserve requirements, the Foundation's policy is to spend all available income, plus any additional amounts that may be transferred from expendable endowment funds, when considered appropriate.

The Foundation has received a significant annual donation from The Clothworkers' Company for many years. Although there is no absolute assurance that these donations will continue, the Company has confirmed its intention to carry on providing such support, and it is expected that the Company would inform the Foundation in the event of a change in its policy.

The Trustees consider that, since the nature of the Foundation's grantmaking activity involves very little by way of un-accrued future commitments, it is unlikely that any unplanned reduction in funds available for grants would have an impact on beneficiaries to whom commitments have already been made. Furthermore, the maintenance of general reserves allows commitments to be fulfilled in a timely fashion.

Connected Charities and Restricted Funds

Until 2013, The Clothworkers' Foundation was the corporate trustee of three Trusts: The Clothworkers' Charity for Education, The Clothworkers' Charity for Relief in Need and The Clothworkers' Charity for Welfare of the Blind, and of The Clothworkers' Foundation Common Investment Fund (the CFCIF). In that year, with the agreement of the Charity Commission, the assets of the three Trusts were transferred to the Foundation, to be held as restricted funds of the Foundation going forward, and the CFCIF was liquidated.

The Trustees continue to apply the income and assets contained within the three restricted funds in accordance with the trust deeds of the three liquidated Trusts.

Further information about the transfer and the restricted funds is contained within notes 1(k) and 17.

Related Party Transactions

The Clothworkers' Foundation is a related party of The Clothworkers' Company and its subsidiary company, Ramteazle Limited. The Clothworkers' Company is a City of London Livery Company. Further details of related parties, and any associated transactions, are disclosed in note 19.

The policy of the Foundation, in respect of potential related party transactions involving Trustees, is to avoid any conflicts of interest. Accordingly, when a Trustee has a material interest in any matter being considered by the Foundation, that Trustee does not participate in the decision-making process.

Remuneration of key management personnel

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver proper performance of its obligations to the Foundation under the service agreement.

FINANCIAL REVIEW AND PERFORMANCE

Investment Policy

The Foundation seeks to maximise the total return on its portfolio, within the constraints imposed by the need to control risk.

The assets of the Foundation (incorporating those of the three liquidated Trusts) are allocated in accordance with the results of an investment strategy review, conducted in 2016, and implemented in 2017. A further review was undertaken in 2022, however with significant cash inflows as a result of donations from The Clothworkers' Company in 2022 and 2023, as well as additional listed investment units donated in 2022, the review was reviewed and revalidated in 2024. The implementation of the revised strategy began in 2024 and continues in 2025. The adopted asset allocation seeks to achieve diversification and hence enhance risk control, and encompasses UK equities, overseas equities, emerging market equities and fixed interest. The one direct property holding has now been enhanced by the two leasehold interests donated by The Clothworkers' Company in December 2022. The equities allocation is managed in conjunction with our investment manager and held in the form of unitised investments.

The primary strategic long-term investment objective is the requirement that the overall investment portfolio should perform in accordance with the policy benchmark, which is made up of a blend of relevant indices. In addition, there is a secondary objective that the portfolio should maintain its value in real terms over time, as measured by the Consumer Price Index including housing costs (CPIH) and Retail Price Index (RPI).

The Foundation uses the income arising from the portfolio in furtherance of its charitable objectives, and of those of its restricted funds. It also considers the capital return earned on its portfolio, and any further endowment donations received, and is prepared to utilise some of its expendable endowment to support current grantmaking, if it is considered appropriate to do so.

Funds and Reserves Policy

The net assets of the Foundation are divided between 'restricted funds' and 'unrestricted funds' as set out below:

- **Restricted Funds**

  Permanent Endowment Fund: this fund totals £71.74 million (2023: £64.60 million) and represents donations received over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. Income arising is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Members' Endowment Fund as well as a proportion of gains and losses on investments.

  Expendable Endowment Fund: this fund totals £131.01 million (2023: £127.85 million) and was established in 2007. Donations have been received from The Clothworkers' Company over a number of years with the wish that the capital should be retained as an endowment but could be distributed, in accordance with the Foundation's objects, should the Trustees decide to do so. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this fund as well as a proportion of gains and losses on investments.

  Members' Endowment Fund: this fund totals £0.45 million (2023: £0.39 million) and represents donations received from members of The Clothworkers' Company, matched by the Company, which were subject to a condition requiring their retention as an endowment. Income arising is credited to the Clothworker Members' Fund. An appropriate proportion of the costs of generating income is charged to the Members' Endowment Fund as well as a proportion of gains and losses on investments.

Funds and Reserves Policy (continued)

Social Investment Fund: this fund totals £2.91 (2023: £1.75 million), and was established during 2017, following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation during 2018, and these funds were subsequently committed or allocated. In 2021, the Trustees agreed a transfer of £1 million from the Expendable Endowment Fund to the Social Investment Fund, which has now been committed in full. In November 2022, the Trustees agreed for £5 million to be allocated from the Expendable Endowment Fund for further social investments, to be transferred in line with commitments.

Other restricted funds: there are three further restricted funds, totalling £61.02 million (2023: £55.03 million), which represent the capital of three Trust funds transferred to the Foundation in 2013 (see above). The income arising on these three funds is used to fund grants which correspond with the objects of the three Trust funds; however, the capital is currently retained to act as an endowment. An appropriate proportion of the costs of generating income is charged to these funds as well as a proportion of gains and losses on investments.

- **Unrestricted Funds**

Designated Capital Fund: this fund totals £110.94 million (2023: £99.89 million) and was established in 1996 to represent the capital of the Foundation at that time, and to act as a fund to generate income for the benefit of future beneficiaries. Although the fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this fund as well as a proportion of gains and losses on investments.

Clothworker Members' Fund: this Fund was established in 2005 as the 'Livery Fund', to receive donations from members of the Livery of The Clothworkers' Company, matched by the Company; it has been renamed to reflect that donations are encouraged from all members. All such donations (other than those credited to the Members' Endowment Fund – see above) are used to fund grants to charities selected by the Clothworker Members' Fund Committee of the Foundation. The balance at 31 December 2024 was nil (2023: nil).

Designated Proactive Grants Fund (DPGF): this fund was created in 2019. All commitments made under the various proactive grants programmes are charged to the fund. Each year, a fixed amount of income is transferred from the General Fund (see below), the amount being set at a level which represents the expected long-term average annual commitment to proactive grants. Consequently, over the long-term, it is expected that total income credited to the DPGF will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund. In 2024, the Trustees agreed a transfer of £0.9 million from the General Fund and grants amounting to £1.2 million were committed. A loan of £0.69 million was made from the Expendable Endowment Fund to leave the balance at 31 December 2024 as nil (2023: nil).

General Fund: this fund is credited with all income arising, excepting amounts credited to the Clothworker Members' Fund, or restricted funds, as set out above. It is the intention of the Trustees to distribute all such income each year, subject only to the agreed general reserves policy, as described below.

- **General Reserves Policy**: during 2022, the Trustees reviewed the level of the General Fund. The previous policy was for the balance on the Fund to be set at the level of 15% (+/- 2%) of anticipated (General Fund) income for the year. After due consideration, the Trustees decided that it was appropriate to set the size of the General Fund at 7.5% (+ / - 2.5%) of grant commitments, in order to allow the Foundation to fulfil its commitments in a timely fashion.

At 31 December 2024, the balance on the General Fund totalled £2.02 million which was equivalent to 18.7% of total grants commitments in the year (2023: £1.05 million 11.8%).

The Trustees are aware that the balance on the General Fund exceeds the agreed policy, primarily as a result of additional donations received from The Clothworkers' Company at the year end. The Trustees anticipate that the additional donations will be utilised for grantmaking in 2025, therefore bringing the level of the Fund within the agreed policy.

Income
Total income in 2024 was £13.05 million (2023: £28.45 million), of which £2.57 million (2023: £18.97 million) was a donation from The Clothworkers' Company. The donation was in cash (2023: cash). Other donations totalled £0.07 million (2023: £0.07 million).

The remaining income of £10.41 million (2023: £9.40 million) was derived from investment assets, rental income or cash holdings.

Of the donation provided by The Clothworkers' Company, £0.50 million (2023: £18.07 million) was subject to a restriction that it be used as an expendable endowment (see note 1(h)).

Expenditure
Grants to charitable organisations totalling £10.78 million (2023: £9.27 million) were committed during the year (see note 7), which included the recommitment of cancelled and returned grants accrued in earlier years, totalling £0.14 million (2023: £0.36 million). Details of grants made, in excess of £25,000, are published in the Annual Review, and on the Foundation's website (www.clothworkersfoundation.org.uk).

Total expenditure during the year, excluding grants, was £1.96 million (2023: £1.83 million), of which expenditure on raising funds totalled £0.28 million (2023: £0.24 million).

Investment Performance
The current asset allocations is shown below:

	2024	2023
	%	%
UK equity units	27	31
Overseas equity units	38	31
Emerging markets units	7	8
Fixed interest units	4	3
Direct freehold property	24	25
Uninvested cash	-	2
	100	100

Over the course of 2024, after allowing for new funds received, the Foundation's investment assets (excluding property) earned a total return of 14.3% (2023: -10.6%). The policy benchmark, based on a blend of relevant indices, against which the Fund benchmarks itself, increased by 15.9% (2023: -10.7%), RPI increased by 3.5% (2023: 5.2%) and CPIH, which is now used as a more relevant benchmark for inflation also increased by 3.5%.

AUDITORS
Saffery LLP have signified their willingness to continue in office as auditors.

The Trustees' Report, which includes the Directors' Report and Strategic Report for the purposes of company law, was approved by the Board of Trustees on 25th June 2025 and signed on their behalf by:

Susanna O'Leary

Susanna O'Leary
Chair
First floor, 16 Eastcheap
London EC3M 1BD

25th June 2025

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER

Opinion

We have audited the financial statements of The Clothworkers' Foundation for the year-ended 31 December 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement 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 charitable company's state of affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 charitable company'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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company'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 charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, 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 charitable company'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 charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 2 July 2025

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

	Notes	Unrestricted Funds (note 15) Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Unrestricted Funds Designated Capital (note 1k)	Endowment Funds (note 16) Endowments (notes 1f, 1g,1h)	Other Restricted Funds (note 17) Social Investment, and Other (note 1i, 1j)	Total	Total
		2024	2024	2024	2024	2024	2023
							£'000
INCOME from:							
Donations	2	1,917	-	723	-	2,640	19,043
Rental income		1,849	-	-	1	1,850	1,797
Investment income	3	4,577	-	-	1,239	5,816	5,851
Deposit interest and other income		2,746	-	-	-	2,746	1,754
Rent, deposits, and investment income		9,172	-	-	1,240	10,412	9,402
Total Income		11,089	-	723	1,240	13,052	28,445
EXPENDITURE on:							
Raising funds	5	(81)	(58)	(112)	(32)	(283)	(243)
Charitable activities							
Grants to charitable organisations	7	(9,377)	-	-	(1,268)	(10,645)	(8,914)
Support costs	8	(1,678)	-	-	(1)	(1,679)	(1,583)
Costs of grant-making		(11,055)	-	-	(1,269)	(12,324)	(10,497)
Total Expenditure		(11,136)	(58)	(112)	(1,301)	(12,607)	(10,740)
Operating (deficit)/surplus		(47)	(58)	611	(61)	445	17,705
Transfers	6	1,014	-	(2,114)	1,100	-	-
Gains /(losses) on investments:							
- realised	9	-	(181)	1,102	(99)	822	-
- unrealised	9	-	11,290	10,780	6,209	28,279	15,195
Net income/(expenditure)		967	11,051	10,379	7,149	29,546	32,900
Fund balances brought forward at 1 January		1,054	99,893	192,829	56,780	350,556	317,656
Fund balances carried forward at 31 December		2,021	110,944	203,208	63,929	380,102	350,556

The Statement of Financial Activities incorporates the Statement of Income.
All income and expenditure is derived from continuing operations.

The notes on pages 22 to 38 form part of these accounts.

	2024 £'000	2023 £'000
Total income of continuing operations	13,052	28,445
Total expenditure of continuing operations	(12,569)	(10,707)
Total net gains/(losses) on investments	21,917	11,534
Net income for the year	22,400	29,272

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 18 which, together with the notes to the accounts on pages 22 to 38, provides full information on the movements during the year of all the funds of the Foundation.

STATEMENT OF FINANCIAL POSITION

Company No. 1321952	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
FIXED ASSETS					
Investments at market value:					
Listed investments	9	255,147			223,969
Investment property	9	79,150			76,350
Uninvested cash	12	1,493			5,928
			335,790		306,247
Social investments	10		1,974		1,436
CURRENT ASSETS					
Debtors	11	599		1,200	
Cash at bank and on deposit	12	50,474		49,238	
		51,073		50,438	
CREDITORS					
Amounts falling due within one year	13	(8,240)		(7,095)	
NET CURRENT ASSETS			42,833		43,343
CREDITORS					
Amounts falling due after more than one year	13		(495)		(470)
NET ASSETS	18		380,102		350,556
RESTRICTED FUNDS					
Permanent Endowment Fund	1(g), 16, 18		71,743		64,596
Expendable Endowment Fund	1(h), 16, 18		131,013		127,846
Members' Endowment Fund	1(i), 16, 18		452		387
Social Investment Fund	1(j), 17, 18		2,911		1,750
Other restricted funds	1(k), 17, 18		61,018		55,030
UNRESTRICTED FUNDS					
Designated Capital Fund	1(l), 15, 18		110,944		99,893
Clothworker Members' Fund	1(m), 15, 18		-		-
Designated Proactive Grants Fund	1(n), 15, 18		-		-
General Fund	1(o), 15, 18		2,021		1,054
TOTAL FUNDS			380,102		350,556

The notes on pages 22 to 38 form part of these accounts.

The financial statements were approved by the Board of Trustees and authorised for issue on 25th June 2025 and are signed on their behalf by:

Susanna O'Leary
Chair of The Clothworkers' Foundation

Peter Jonas
Chair of the Finance, Investment and General Purposes Committee

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Net cash outflow from operating activities	14		(9,174)		(11,536)
Cash flows from investing activities					
Investment income receipts		5,545		5,608	
Rental and interest income		4,585		3,550	
Purchases of investments		(38,276)		-	
Sales of investments		33,399		-	
Decrease/(increase) in cash awaiting investment		4,434		349	
Net cash inflow from investing activities			9,687		9,507
Cash flows from financing activities					
Endowment donations received		723		18,093	
Net cash inflow from financing activities			723		18,093
Increase in cash and cash equivalents			1,236		16,064
Cash and cash equivalents at the start of the year			49,238		33,174
Cash and cash equivalents at the end of the year			50,474		49,238

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Cash Equivalents £'000	Cash at bank £'000	Total £'000
At 1 January 2023	6,492	26,682	33,174
Net cash inflow/(outflow)	41,454	(25,390)	16,064
At 31 December 2023	47,946	1,292	49,238
Net cash (outflow)/inflow	2,350	(1,114)	1,236
At 31 December 2024	50,296	178	50,474

The Clothworkers' Foundation does not have any debt (2023: none).

1. ACCOUNTING POLICIES

The Clothworkers' Foundation is a charity registered with the Charity Commission (registration number: 274100) and a company limited by guarantee (registration number: 1321952) in England and Wales. The registered office and principal address is First floor, 16 Eastcheap, London EC3M 1BD.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and the applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis and the Foundation meets the definition of a public entity under FRS 102.

The principal accounting policies adopted are described below and are consistent with previous years.

(b) Investments

Investments are stated at market value and consist of units in listed investment funds, a freehold property, two leasehold properties and cash awaiting investment. Gains and losses on the sale and revaluation of investments are shown in the Statement of Financial Activities.

(c) Social investments

Social investments comprise concessionary loans and mixed motive investments. Where the investment is a concessionary loan, the carrying value of the loan reflects the original loan value net of any repayments or provisions for amounts not expected to be recovered. Mixed motive investments are initially measured at the transaction price of the investment and subsequently at their fair value where this can be measured reliably. Where this is not possible, they are measured at cost less impairment. Any movements on mixed motive investments are included as gains or losses on financial investments within the Statement of Financial Activities.

(d) Income

Donations are accounted for when they become receivable. Investment income is recognised when it becomes 'ex-dividend'. Rental income, and deposit interest, are recognised according to the period to which it relates.

(e) Costs of generating funds

These are the costs of managing listed, property and cash investments. Investment management fees suffered within fund investments are grossed up, based on the fee rate applied to market value.

(f) Grants to charitable organisations

Grants are accounted for in the year in which a binding obligation arises. This includes grants payable in a future year where any relevant conditions have been fulfilled by the balance sheet date, or are dependent on an external event over which the Foundation has no control.

(g) Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An

1. ACCOUNTING POLICIES (continued)

appropriate proportion of the costs of generating income is charged to this Fund. Also included within this Fund is the capital transferred from the Charity of Margaret Holligrave in 2004 (see note 16).

(h) Expendable Endowment Fund

The expendable endowment has been received by way of donations over a number of years subject to a condition that capital could be retained or distributed as the Trustees determined. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund.

(i) Members' Endowment Fund

At 1 January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts, and donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation. Subsequent endowment donations from such members have also been credited to this Fund; investment income arising from its assets is credited to the Clothworker Members' Fund. An appropriate proportion of the costs of generating income is also charged to the Members' Endowment Fund.

(j) Social Investment Fund

The Social Investment Fund was established in 2017, to which are credited donations received subject to a restriction that they be applied to social investment (see note 17).

(k) Other restricted funds

Three restricted funds relate to three previous Trusts which formerly existed as separate charities.

During 2013, the Foundation applied to The Charity Commission for permission to pay the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities (see note 17).

(l) Designated Capital Fund

The Designated Capital Fund was set aside in 1996 out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The Fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the Fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. Income arising from the Fund is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Designated Capital Fund.

(m) Clothworker Members' Fund

The Livery Fund was established in 2005; it was renamed as the Clothworkers' Charity Fund (CCF) in 2019, and the Clothworker Members' Fund (CMF) in 2022.

The CMF is made up of regular donations from the membership of The Clothworkers' Company, which are matched by donations from the Company itself. Investment income arising on the Members' Endowment Fund is also credited to the CMF (see note 15).

1. ACCOUNTING POLICIES (continued)

The income of the Fund is distributed annually; distributions are recommended by the Clothworker Members' Fund Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year. In the event of a deficit arising on the Fund, a compensating transfer is made from the General Fund.

(n) Designated Proactive Grants Fund (DPGF)

The DPGF was established during 2019, in order to provide greater clarity in the reporting of the Proactive grants programme.

A transfer is made to the DPGF each year based upon the average amount to be allocated to proactive grants; this transfer is paid from the General Fund, or restricted finds, as appropriate.

Proactive grant commitments are charged to the DPGF; it is planned that these will match the transfers received, taking one year with another. If a deficit arises on the DPGF in a particular year, this is offset in full by a temporary loan from the Expendable Endowment Fund.

(o) General Fund

With the exception of restricted donations, and investment income allocated to the Clothworker Members' Fund and restricted funds, all income arising is credited to the General Fund. Expenditure on support costs and governance is charged to the General Fund. When budgets are set, the level of grants is determined with reference to the agreed reserves policy.

(p) Significant accounting judgments and estimates

The preparation of the financial statements in accordance with FRS 102 requires management to exercise judgement in applying the Foundation's accounting policies. The areas where the Foundation considers the judgements to be the most significant involve assumptions or estimates in respect of future events where actual results may differ from these estimates. The estimate of the valuation of investment properties is considered significant (see note 9).

2. DONATIONS

	Unrestricted Funds		Restricted Funds		
	General Fund	Clothworker Members' Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL
	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000
The Clothworkers' Company	1,789	69	11	701	2,570
Member donations	-	58	11	-	69
Other Donations	1	-	-	-	1
	1,790	127	22	701	2,640

	Unrestricted Funds		Restricted Funds		
	General Fund	Clothworker Members' Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
The Clothworkers' Company	829	59	9	18,074	18,971
Member donations	-	62	10	-	72
	829	121	19	18,074	19,043

Member donations are received from members of The Clothworkers' Company, including Gift Aid recoveries, and are credited to the Clothworker Members' Fund, or Members' Endowment Fund, in accordance with each member's wishes.

3. INVESTMENT INCOME

Investment income arises from units held in various listed investment funds; these funds are invested in UK equities, overseas equities, fixed interest funds, and a commodities fund.

4. OPERATING LEASES

The Foundation acts as a lessor in connection with operating leases and continues to recognise the assets subject to the operating lease as assets on its balance sheet. The lease amounts received from the lessees are recognised in the Statement of Financial Activities on a receivable basis. The leases relate to the rental of property. The future minimum lease receipts arising from non-cancellable operating leases are shown below.

The amounts due to the Foundation fall due as follows:

	2024 £'000	2023 £'000
Within one year	806	806
Between two and five years	3,219	3,221
After five years	26,532	27,336
	30,557	31,363

5. COSTS OF GENERATING FUNDS

The cost of generating funds consists of listed investment management fees and investment property management costs; these are charged to the Designated Capital Fund (see note 15), the endowment Funds (see note 16), and some restricted Funds (see note 17) in proportion to the investment holdings of each fund.

Some additional fees are also incurred in respect of the Foundation's cash management service; these are charged to income (General Fund – see note 15).

6. TRANSFERS

The following transfers were made during the year:

	Expendable Endowment Fund	General Fund	Designated Proactive Grants Fund (DPGF)	Social Investment Fund	TOTAL
	£'000	£'000	£'000	£'000	£'000
Funding for Proactive Grants programme	-	(900)	900	-	-
Reversal of previous temporary transfers	114	-	(114)	-	-
To fund DPGF commitments	(685)	-	685	-	-
To fund Social Investment commitments	(1,100)	-	-	1,100	-
Allocate to current year	(443)	443	-	-	-
	(2,114)	(457)	1,471	1,100	-

- The Trustees agreed to make a transfer from the Expendable Endowment Fund to the Designated Proactive Grants Fund to fund specific commitments made under the Proactive Grants programme.
- The Trustees agreed to transfer £1,100,000 from the Expendable Endowment Fund to the Social Investment Fund to fund commitments made in 2023 and 2024.
- The Trustees decided to transfer £443,000 (2023: £349,000) from the Expendable Endowment Fund to the General Fund in order to supplement income from the listed investment portfolio, and to facilitate a higher level of grant-making.

7. CHARITABLE GRANTS

	2024 £'000	2023 £'000
Proactive programmes:		
Racial Equity	-	1,200
Economic Equity	1,205	-
Care Leavers	200	-
	1,405	1,200
Substance Misuse & Addiction	113	266
Domestic and Sexual Abuse	390	505
Homelessness	502	815
Communities Experiencing Racial Inequalities	1,321	1,178
Older People Facing Disadvantage	484	337
Disabilities, including Mental Health & Visual Impairment	2,666	2,465
Prison & Rehabilitation	185	287
LGBT+ Communities	57	-
Young People Facing Disadvantage	2,103	1,928
Economic Disadvantage	1,330	5
Other	228	285
Total grant commitments	10,784	9,271
Returned /cancelled grants	(139)	(357)
Total grants	10,645	8,914

Details of grants made are published in the Foundation's Annual Review which can be downloaded from the Foundation's website (www.clothworkersfoundation.org.uk).

12 grants accrued in a prior year were returned or cancelled (2023: 21).

All grants were awarded to institutions.

8. SUPPORT COSTS

	2024 £'000	2023 £'000
Administrative services provided by Ramteazle Ltd:		
Staff costs	839	845
Other costs	598	568
	1,437	1,413
Direct costs:		
Auditors' remuneration - audit services	19	28
Other governance costs	21	17
Proactive grants – direct costs	114	36
Social Investment	1	-
Other support costs	87	89
	1,679	1,583

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver proper performance of its obligations to the Foundation under the service agreement.

The Foundation's share of total remuneration paid to key management personnel provided as part of this service was £254,472 (2023: £201,803).

No Trustee may receive any salary or fees or receive any remuneration or other benefit, other than expenses reimbursed, from the Foundation save as expressly permitted by the Articles of Association. During the year payments to Trustees totalled £530 (2023: £90).

9. INVESTMENTS

	2024 £'000	2023 £'000
Listed investments		
Carrying value at 1 January	223,969	207,924
Add: Acquisitions at cost	38,276	-
Less: disposals at carrying value (proceeds: £33,398,672)	(32,577)	-
Net gain/(loss) on revaluation at 31 December	25,479	16,045
Market value at 31 December	255,147	223,969
Investment property		
Carrying value at 1 January	76,350	77,200
Add: Acquisitions at cost	-	-
Net loss on revaluation at 31 December	2,800	(850)
Market value at 31 December	79,150	76,350
Cash to be invested	1,493	5,928
Total Investments at Market Value	335,790	306,247

The investment properties were formally professionally revalued at open market value as at 31 December 2024 by Capital Real Estate Partners LLP (2023: Knight Frank LLP). The properties were valued using the investment method of valuation; this means that the passing rent and estimated rental values have been capitalised using investment yields. Purchaser's costs have then been deducted to arrive at a net value.)

The valuation of the Foundation's investment portfolio is inherently subjective. It is based on a number of assumptions including, but not limited to, matters such as the underlying tenure and tenancy details for the properties, prevailing market yields and comparable market transactions. As a result the estimated values of the Foundation's investment properties are subject to a degree of uncertainty and are determined on the basis of assumptions which may not prove to be accurate.

10. SOCIAL INVESTMENTS

	2024 £'000	2023 £'000
Listed investments		
Cost less impairments at 1 January	1,436	1,512
Add: Acquisitions at cost	574	43
Losses and impairments	(1)	-
Disposals and repayments	(35)	(119)
Market value at 31 December	1,974	1,436

At 31 December 2024 commitments amounting to £615,385 (2023: £1,089,752) remain outstanding.

11. DEBTORS

	2024 £'000	2023 £'000
Intercompany – Clothworkers Company	-	322
Accrued income and prepayments	588	866
Other debtors	11	12
	599	1,200

12. CASH AND DEPOSITS

At 31 December 2024 all money on short-term deposit was held in interest-bearing bank accounts, or in a managed cash fund.

Cash and deposits totalling £50,474,000 (2023: £49,238,000) is reported within current assets, and an additional sum of £1,493,000 (2023: £5,928,000), derived from endowment donations received, is included in fixed assets.

13. CREDITORS

	2024 £'000	2023 £'000
Amounts falling due within one year		
Grants commitments unpaid	7,261	6,656
Clothworkers' Company	493	-
Other accruals	83	63
Rent receivable in advance	372	360
Other creditors	31	16
	8,240	7,095
Amounts falling due after more than one year		
Grants commitments unpaid	495	470

Rent receivable in advance relates to rent for the 1st quarter of 2025 that was invoiced in 2024.

14. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2024 £'000	2023 £'000
Operating surplus	445	17,705
Investment and property management expenses	282	243
Donations received into endowed funds	(723)	(18,093)
Investment income receivable	(5,817)	(5,851)
Rental income receivable	(1,849)	(1,797)
Interest receivable	(2,746)	(1,754)
Repayment of social investment loans	35	119
Social investment payments	(573)	(43)
Decrease/increase in debtors	602	(867)
Increase/(decrease) in creditors	1,170	(1,198)
Net cash outflow from operating activities	(9,174)	(11,536)

15. UNRESTRICTED FUNDS

	General Fund	Clothworker Members' Fund	Designated Proactive Grants Fund	Designated Capital Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**640**	**15**	**200**	**94,283**	**95,138**
Donations (see note 2)	829	121	-	-	950
Rental income	1,796	-	-	-	1,796
Investment income	4,689	8	-	-	4,697
Deposit interest and other income	1,754	-	-	-	1,754
Costs of generating funds	(72)	-	-	(51)	(123)
Support costs	(1,569)	-	(14)	-	(1,583)
Grants to charitable organisations	(6,462)	(144)	(1,200)	-	(7,806)
Transfer from Expendable Endowment Fund	349	-	-	-	349
Transfer from General Fund	(900)	-	900	-	-
Reverse loans from Expendable Endowment Fund	-	-	114	-	114
Transfer from Expendable Endowment Fund	-	-	-	-	-
Realised gains on investments	-	-	-	-	-
Unrealised gains on investments	-	-	-	5,661	5,661
Balance at 31 December 2023	**1,054**	**-**	**-**	**99,893**	**100,947**
Donations (see note 2)	1,790	127	-	-	1,917
Rental income	1,849	-	-	-	1,849
Investment income	4,569	8	-	-	4,577
Deposit interest and other income	2,746	-	-	-	2,746
Costs of generating funds	(81)	-	-	(58)	(139)
Support costs	(1,612)	-	(66)	-	(1,678)
Grants to charitable organisations	(7,837)	(135)	(1,405)	-	(9,377)
Transfer from Expendable Endowment Fund	443	-	-	-	443
Transfer from General Fund	(900)	-	900	-	-
Transfer from Expendable Endowment Fund	-	-	571	-	571
Realised gains on investments	-	-	-	(181)	(181)
Unrealised gains on investments	-	-	-	11,290	11,290
Balance at 31 December 2024	**2,021**	**-**	**-**	**110,944**	**112,965**

General Fund

All income and costs are credited or debited to the General Fund, excluding those amounts which must be credited or debited to other Funds. All grants are debited to the General Fund unless they are assigned to the Designated Proactive Grants Fund, the Clothworker Members' Fund, or other restricted funds.

15. UNRESTRICTED FUNDS (continued)

Clothworker Members' Fund

This fund was established in 2005 as the Livery Fund, to receive donations from members of the Livery of The Clothworkers' Company, matched by the Company. It was renamed as the Clothworkers' Charity Fund (CCF) in 2019, and more recently, the Clothworker Members' Fund (CMF) in 2022, to reflect that donations are encouraged from all members.

The fund is also credited with all income derived from the Members' Endowment Fund.

The income of the Fund is distributed annually; grants are recommended by the Clothworker Members' Fund Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year.

Designated Capital Fund

This fund was established in 1996 to represent the capital of the Foundation at that time, and was set aside out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this fund as well as a proportion of gains and losses on investments.

Designated Proactive Grants Fund

This fund was established in 2019. All commitments made under the various proactive grants programmes are debited to the fund. Each year, a fixed amount of income is transferred from the General Fund, the amount being set at a level which represents the expected average annual commitment to proactive grants over a strategy period. Consequently, over the long-term, it is expected that total income credited to the fund will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund.

16. ENDOWMENT FUNDS

	Expendable endowment	Permanent endowment – general	Permanent endowment – Margaret Holligrave	Members' endowment	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**107,554**	**50,949**	**10,020**	**348**	**168,871**
Donations (see note 2)	18,074	-	-	19	18,093
Repay loans from Designated Proactive Grants Fund	-	-	-	-	-
Transfer to Designated Proactive Grants Fund	(114)	-	-	-	(114)
Transfer to General Fund	(349)	-	-	-	(349)
Transfer to Social Investment Fund	-	-	-	-	-
Costs of generating funds	(58)	(29)	(5)	-	(92)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	2,739	3,059	602	20	6,420
Balance at 31 December 2023	**127,846**	**53,979**	**10,617**	**387**	**192,829**
Donations (see note 2)	701	-	-	22	723
Repay loans from Designated Proactive Grants Fund	114	-	-	-	114
Transfer to Designated Proactive Grants Fund	(685)	-	-	-	(685)
Transfer to General Fund	(443)	-	-	-	(443)
Transfer to Social Investment Fund	(1,100)	-	-	-	(1,100)
Costs of generating funds	(75)	(31)	(6)	-	(112)
Realised losses on investments	1,220	(98)	(19)	(1)	1,102
Unrealised gains on investments	3,435	6,102	1,199	44	10,780
Balance at 31 December 2024	**131,013**	**59,952**	**11,791**	**452**	**203,208**

Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed.

This Fund includes the capital portion of the Charity of Margaret Holligrave which was transferred to the Foundation by a Scheme of the Charity Commission dated 9 March 2004; the value of the capital portion of the Charity at that date was £3,943,763. At 31 December 2024, the portion of the Fund representing the capital of the Charity was valued at £11,791,163 (2023: £10,617,029). The Scheme permitted income arising from the endowment to be distributed for such charitable purposes as the Foundation shall determine. All income arising is credited to the General Fund.

16. ENDOWMENT FUNDS (continued)

Expendable Endowment Fund

This fund was established in 2007. Donations have been received from The Clothworkers' Company over a number of years with the wish that the capital should be retained as an endowment but could be distributed, in accordance with the Foundation's objects, should the Trustees decide to do so. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this fund as well as a proportion of gains and losses on investments.

Donations have generally been in the form of cash, and historically this was invested in equities. Donations have been received in the form of equities on three occasions and on one occasion, in the form of property leases.

This fund is used to meet the spending rule requirements and any transfer to the General Fund required is made out of retained cash. If the spending rule dictates a transfer in to the fund, the relevant amount will be allocated from the Company's annual donation, therefore reducing the amount allocated to the General Fund.

This fund has also been used to add to the grantmaking budget as agreed by the Trustees.

In November 2022, the Trustees agreed to allocate £5 million from this fund for social investment. £1 million has been invested and therefore transferred to the Social Investment Fund.

Members' Endowment Fund

On 1st January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts, and donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation.

Donations are received from members of The Clothworkers' Company. Where the member stipulates that the donation should be retained and invested, it is credited to the Members' Endowment Fund. All such donations are matched by The Clothworkers' Company. All income arising is credited to the Clothworker Members' Fund. An appropriate proportion of the costs of generating income is charged to the Members' Endowment Fund as well as a proportion of gains and losses on investments.

17. OTHER RESTRICTED FUNDS

	Social Investment	Education	Relief in Need	Welfare of the Blind	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**1,750**	**10,346**	**29,285**	**12,266**	**53,647**
Rental income	-	-	1	-	1
Investment income	-	230	651	273	1,154
Transfer from Expendable Endowment Fund	-	-	-	-	-
Costs of generating funds	-	(6)	(16)	(6)	(28)
Grants to charitable organisations	-	(256)	(577)	(275)	(1,108)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	-	621	1,757	736	3,114
Balance at 31 December 2023	**1,750**	**10,935**	**31,101**	**12,994**	**56,780**
Rental income	-	-	1	-	1
Investment income	62	235	664	278	1,239
Transfer from Expendable Endowment Fund	1,100	-	-	-	1,100
Support Costs	(1)	-	-	-	(1)
Costs of generating funds	-	(6)	(18)	(8)	(32)
Grants to charitable organisations	-	(234)	(758)	(276)	(1,268)
Realised losses on investments	-	(20)	(56)	(23)	(99)
Unrealised gains on investments	-	1,237	3,505	1,467	6,209
Balance at 31 December 2024	**2,911**	**12,147**	**34,439**	**14,432**	**63,929**

Social Investment Fund

This fund was established in 2017, following the receipt of an initial donation of £0.375 million from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation of £0.375 million during 2018, and these funds were subsequently committed or allocated. In 2021, the Trustees agreed a transfer of £1 million from the Expendable Endowment Fund to the Social Investment Fund, which has now been committed in full. In November 2022, the Trustees agreed for £5 million to be allocated from the Expendable Endowment Fund for further social investments, to be transferred in line with commitments. £1.1 million was transferred in 2024 relating to commitments made in 2023 and 2024.

17. OTHER RESTRICTED FUNDS (continued)

Education - Relief in Need - Welfare of the Blind

These funds relate to capital transferred from three previous Trusts which formerly existed as separate charities. During 2013, the Foundation applied to The Charity Commission for permission to transfer the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities. An appropriate proportion of the costs of generating income is charged to these funds as well as a proportion of gains and losses on investments.

Grants are made in accordance with the objects of the original charities, as set out below. Where the objects of a Fund require that preference is given to a particular constituency when applying a proportion of the income, the Trustees give precedence to such appeals when considering applications.

Education:

The income is used to advance the education of the public, with preference in respect of 75% of the income being given to persons under age 25 who live in, or attend educational establishments in, or whose parents live in, Greater London.

Relief in Need:

A minimum of 92.5% of the income is used to relieve hardship, subject to the following preferences:

(i) 4% to people who reside in the London Boroughs of Islington and Camden; then to people who reside in neighbouring boroughs and then to people who reside in Greater London;

(ii) 3% to people who reside in Greater London, then to people who live in neighbouring counties; and then to people who reside in the remainder of the UK.

Welfare of the Blind:

A minimum of two-thirds of the income is used to relieve hardship of people in the UK who are visually impaired.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Endowment funds (see note 16)	Other restricted funds (see note 17)	Total funds 2024
	General	Designated Capital			
	£'000	£'000	£'000	£'000	£'000
Listed investments and freehold property	-	110,944	161,145	62,208	334,297
Fixed asset cash	-	-	1,493	-	1,493
Social investments at cost	-	-	-	1,974	1,974
Current assets	9,441	-	40,570	1,062	51,073
Current liabilities	(6,925)	-	-	(1,315)	(8,240)
Long term creditors	(495)	-	-	-	(495)
	2,021	110,944	203,208	63,929	380,102

Total funds include revaluation reserves of £79,410,000 (2023: ££82,950,000).

19. RELATED PARTY TRANSACTIONS

A majority of the Trustees of The Clothworkers' Foundation are members of the Livery of The Clothworkers' Company, which means that the two organisations are related parties. All transactions were entered into on normal commercial terms.

Transactions concerning related parties were as follows:

	2024 £'000	2023 £'000
Amounts received/(paid)		
Donations:		
The Clothworkers' Company	2,570	18,971
Ramteazle Limited	-	-
Administrative service charges:		
Ramteazle Limited	1,437	1,413
Debtors/(creditors)		
The Clothworkers' Company	-	-
Ramteazle Limited	(493)	322

Ramteazle Limited is a wholly owned subsidiary of The Clothworkers' Company.

There were no potential conflicts of interest involving Trustees.

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds (note 15)		Restricted Funds (notes 16, 17)		Total
	Clothworker Members', Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Social Investment, and Other (note 1i, 1j)	
	2023	2023	2023	2023	2023
INCOME from:					
Donations	950	-	18,093	1	19,043
Rental income	1,796	-	-	1,154	1,797
Investment income	4,697	-	-	-	5,851
Deposit interest and other income	1,754	-	-	-	1,754
Rent, deposits, and Investment income	8,247	-	-	1,155	9,402
Total Income	9,197	-	18,093	1,155	28,445
EXPENDITURE on:					
Raising funds	(72)	(51)	(92)	(28)	(243)
Charitable activities					
Grants to charitable organisations	(7,806)	-	-	(1,108)	(8,914)
Support costs	(1,583)	-	-	-	(1,583)
Costs of grant-making	(9,389)	-	-	(1,108)	(10,497)
Total Expenditure	(9,461)	(51)	(92)	(1,136)	(10,740)
Operating (deficit)/surplus	(264)	(51)	18,001	19	17,705
Transfers	463	-	(463)	-	-
Gains /(losses) on investments:					
- unrealised	-	5,661	6,420	3,114	15,195
Net income/(expenditure)	199	5,610	23,958	3,133	32,900
Fund balances brought forward at 1 January	855	94,283	168,871	53,647	317,656
Fund balances carried forward at 31 December	1,054	99,893	192,829	56,780	350,556

THE CLOTHWORKERS' FOUNDATION

England & Wales - Charity number 274100

Accounts

Company No. 1321952
Charity Commission Registration Number 274100



THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

ANNUAL REPORT

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Company No. 1321952
Charity Commission Registration Number 274100

REPORT OF THE TRUSTEES

TRUSTEES AND PROFESSIONAL ADVISERS

TRUSTEES	Hanif Virji (Chair) Denis Clough *[resigned 28 June 2023]* Chloe Holness *[resigned 28 June 2023]* Charlie Hutchins Emma Ingham Clark Tom Ingham Clark *[appointed 28 June 2023]* Michael Jarvis Peter Jonas *(appointed 28 June 2023)* Alexander Nelson *[resigned 28 June 2023]* Susanna O'Leary Ola Opoosun Neel Patani Dhruv Patel Lucy Rawson *[resigned 28 June 2023]* Amir Rizwan Hugo Slim Tom Stoddart-Scott
CHIEF EXECUTIVE	Jocelyn Stuart-Grumbar
FOUNDATION DIRECTOR	Jenny North
REGISTERED OFFICE AND PRINCIPAL ADDRESS	First floor 16 Eastcheap London EC3M 1BD
AUDITOR	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
BANKERS	Bank of Scotland London Chief Office Old Broad Street London EC3M 1BD
INVESTMENT MANAGERS	Blackrock Advisors (UK) Murray House 1 Royal Mint Street London EC3N 4HH Legal & General Investment Management One Coleman Street London EC2R 5AA
WEBSITE	www.foundation.clothworkers.co.uk
CHARITY COMMISSION REGISTRATION NUMBER	274100
COMPANY REGISTRATION NUMBER	1321952

REPORT OF THE TRUSTEES

The Trustees present their Report and the financial statements of the Foundation for the year ended 31 December 2023; these have been prepared in accordance with the provisions of the Statement of Recommended Practice (FRS102), *Accounting and Reporting by Charities*, issued in 2015, Second Edition, effective 1 January 2019 (the "SORP"). The information on the preceding pages forms part of this report. This report also includes the information required in a Directors' Report and a Strategic Report for the purposes of company law.

THE 2023 CONTEXT

During 2023, the Foundation began the implementation of its new strategy, agreed at the end of 2022. This new strategy committed the Foundation to:

- The continuation of our Open Grants Programme to support the infrastructure needs of small and medium sized not-for-profit organisations working across our Programme Areas
- The launch of Equity programmes providing unrestricted multi-year grants to organisations addressing specific areas of inequity
- The deployment of social investment where this can support organisations' impact and/or sustainability
- To implement improvements across our grantmaking and governance to help us operate more in line with our values: equitable, adaptive, enabling, collaborative.

Demand was up nearly a third for our Open Grants Programme compared to 2022 and 2021, resulting in an increased number of grants made.

VISION, MISSION AND VALUES

As part of the 2022 Strategic Review, the Trustees of The Foundation adopted the following:

Vision:

An equitable society where all can participate and thrive.

Mission:

We support charities and social businesses that work with marginalised and disadvantaged people and communities, and those working towards a more equitable society.

Values:

Equitable - we work to promote equity in our grantmaking and organisation, and to identify and manage bias. We strive to increase participation and representation at all levels of our organisation to advance better decision-making.

Adaptive - we strive to be responsive to the needs of our grantees and to listen to their experience as experts. We learn from them, from our peers and from our own experience to drive improvements in our work. We adapt to external change when necessary.

Enabling – we strive to provide funding and support that enables our grantees to be more impactful and sustainable, and which minimises burden on them. We aim to empower our own team through flexible and trust-based ways of working.

Collaborative - we seek to work with other funders, research organisations, and networks. We do this to serve grantees more effectively, to learn, and to share our learning.

HISTORY, OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

History

The Clothworkers' Foundation was incorporated in 1977 as a company limited by guarantee; it is a registered charity.

In over 40 years of activity, grants in excess of £173 million have been made by the Foundation and subsidiary trusts, to charitable organisations and individuals.

The objects of the charity are the advancement of such charitable purposes as the Foundation shall from time to time determine.

The Clothworkers' Foundation aims, through its funding, to provide public benefit by improving the lives of people and communities, particularly those that face disadvantage.

Objectives

The objectives of the Foundation are:

- To manage its resources so as to ensure that the budget agreed for charitable grants may be distributed.
- To stimulate a flow of good quality eligible applications for funds that meet its criteria, by setting application guidelines with sufficient clarity to avoid charities wasting valuable resources in preparing submissions that are ineligible.
- To undertake an objective assessment of all applications for grants, appropriate to the scale of support contemplated.
- For the proactive programme, to develop sufficient understanding of the selected areas to allow it to identify particular activities to support and organisations with which to work.
- To maximise public benefit by distributing its income in the most effective way possible.
- To monitor the impact of the grants on the people and communities it seeks to help.
- To identify suitable initiatives for social investment.

Grantmaking Policy

The Foundation funds across a range of issues associated with marginalisation and disadvantage, through its open and proactive (not open to application) programmes. It undertakes a strategic review approximately every five years, with the most recent carried out in 2022.

The Foundation's grantmaking activities in 2023 were as follows:

- An Open Grants Programme funding capital projects of charities and social businesses operating in one or more of the following ten programme areas:
    - substance misuse and addiction
    - disabilities including mental health and visual impairment
    - communities experiencing racial inequalities
    - young people facing disadvantage
    - domestic and sexual abuse
    - homelessness
    - older people facing disadvantage
    - prison and rehabilitation
    - LGBT+ communities
    - economic disadvantage

Grantmaking Policy (continued)

Only charities with an annual operating income of less than £10 million are eligible to apply.

This programme makes Small Grants of up to £15,000 to charities and social businesses with an annual income of less than £2 million, and Large Grants of over £15,000 to any charity with annual income under £10 million.

- A Proactive Grants Programme, established in 2007, which included three initiatives during 2023: the Racial Equity Programme, Dramatic Arts II, and a Care Leavers initiative.
- A Regular Grants Programme through which a limited number of charities selected by the Foundation receive grants subject to regular review.

Full details of the Foundation's grant-making policy and guidelines are provided on the website (www.clothworkersfoundation.org.uk); they are also published in the Annual Review, a copy of which may be downloaded from the website or obtained from The Clothworkers' Foundation, First Floor, 16 Eastcheap, London EC3M 1BD.

Social Investment Policy

The Foundation seeks to identify initiatives which are suited to a 'social investment' approach; these are regarded as being complementary to, and aligned with, existing grantmaking activities, and the overall mission of The Foundation. The main aim is to achieve a social impact with any financial return reinvested.

Recent Significant Activities and Achievements

Grants totalling £9.27 million, 359 in number (2022: 7.49 million, 386 in number), were committed during the year, across the various programmes.

Through these programmes, the Trustees consider that the Foundation provides public benefit by focusing resources in areas of greatest need, and in accordance with its objectives.

All Foundation grants are published on 360Giving, and Case studies on selected projects are featured on the Foundation's website (www.clothworkersfoundation.org.uk). However, a summary of each programme is set out below.

- ***Open grants programme***

  £7.25 million was committed under this programme, with £5.40 million being for Large Grants including building and refurbishment projects, large vehicles, and specialist equipment. £1.85 million was allocated for Small Grants, under which grants of up to £15,000 are made to capital projects for smaller charities.

- ***Regular grants programme***

  The Foundation continued to award annual grants to a small number of selected charities under the Regular Grants Programme which does not accept applications. These included several organisations making onward grants to very small organisations and individuals in key areas of interest for The Foundation. Commitments totalling £0.50 million were made during 2023.

- ***Research, Development & Partnerships***

  This fund allows us to make grants to organisations not eligible for other programmes but which may be aligned to our overall mission, or in areas where we want to build our knowledge. Commitments totalling £0.18 million were made during 2023.

- ***Proactive initiatives***

  In 2023, we began our newest Proactive Programme: **the Racial Equity Programme.** This programme is a legacy of work begin during the pandemic to increase and improve our grantmaking to minoritised communities. We have committed £1.20 million (with additional resource for learning support) in unrestricted 'core' grants to four racial equity organisations over the next three years.

  The programme aims to strengthen these organisations and enable them to deliver their strategies, all of which focus on improving outcomes for minoritised communities, organisations or individuals.

  Of our previous Proactive Programmes, **Care Leavers** and **Dramatic Arts II** are still active, though fully committed.

- ***Clothworker Members' Fund (previously Clothworkers' Charity Fund – see below) programme***

  Six grants were also awarded from the Clothworker Members' Fund (which does not accept applications). This is a sub-fund which receives donations from members of The Clothworkers' Company, and where the total is matched by a separate donation from The Company itself. Commitments in 2023 totalled £144,000.

- ***Social investment activities***

  Investments as at 31st December 2023 were:

	£'000
CAF Venturesome Development Fund(1)	43
London Play Design CIC(2)	33
Women in Safe Housing Fund(3)	160
RefuAid	200
Charity Bank	1,000
	1,436

(1) £150,000 was originally invested as a loan. £107,000 was repaid in 2023, with further repayments expected in 2024.
(2) £50,000 was originally invested as a loan. £17,000 has been repaid to date, with further repayments expected in 2024.
(3) The total commitment is £250,000, with £160,000 drawn down to date.

A commitment of £1 million was made to the Recovery Loan Fund in 2023. The first drawdown was made in April 2024.

FUTURE PLANS

The Foundation will continue to implement its current grantmaking strategy while trying to meet increased demand in an efficient, equitable and impactful way. The 2022 investment strategy review is being revisited with the aim of agreeing an implementation plan during the course of 2024. The Trustees will assess options over the most effective and impactful use of the significant cash balances, which have arisen as a result of the cash donations from the Clothworkers' Company in 2022 and 2023. We will continue to appraise potential opportunities for further social investments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership and Governing Document

The Clothworkers' Company is the sole member of the Foundation.

The Foundation's governing documents are the Memorandum and Articles of Association.

Recruitment and Induction of Trustees

The Board of Trustees comprises between eight and fifteen individuals who, until 2020, had been drawn exclusively from the Court and Livery of The Company, offering a range of pertinent experience and qualifications. The Company's objective had been for the Foundation to have a board of Trustees which was balanced as to age and skills, capable of formulating the policies and strategies of the Foundation, and able to provide direction to the Chief Executive and staff on the conduct of its affairs.

Since 2020, the Board now includes members drawn from The Company's wider membership, and independent Trustees with no prior connection to The Company.

Trustees are expected to be conversant with their responsibilities. New Trustees have a full induction programme, and all Trustees are alerted to training and CPD opportunities as they arise. A register of training undertaken is maintained.

On their appointment, new Trustees are provided with a copy of the Policy and Procedures Manual (PPM) of the Foundation, which is a compilation of the key regulations, administrative arrangements, and codes of conduct by which the Foundation operates; the PPM is regularly reviewed.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Clothworkers' Foundation for the purposes of company law) 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).

Company law 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 charitable company, and of the incoming resources and application of resources, including the income and expenditure of the charitable company, 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 contained within 'Accounting and Reporting by Charities – Statement of Recommended Practice' (the SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the charitable company, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Foundation's auditors, and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

Public Benefit

The Trustees confirm that they have paid due regard to the guidance of the Charity Commission in respect of public benefit in reviewing aims and objectives, and in planning future activities, setting grantmaking policies, and awarding grants.

Fundraising

The Foundation derives all donation income from The Clothworkers' Company, the sole member, its subsidiaries and members. Therefore, the Foundation does not engage in any public fundraising activities. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Committees of the Board of Trustees

The Board of Trustees has delegated specific duties to a number of standing, and other, committees which deal with operational matters:

Grants Committee:	For assessment of Large grant applications under the Open Grants Programme
Small Grants Committee:	For assessment of Small grant applications under the Open Grants Programme
Proactive Grants Committee:	For assessments of grants under our Proactive Programmes, as well as review of progress of these programmes, and development of further programmes
Regular Grants Committee:	For assessment of annual or multi-year grants aligned with mission, but outside other programmes
Nominations Committee:	For consideration of Board, committee, and key staff appointments
Finance, Investment and General Purposes Committee:	For financial and investment strategy/management and general matters

There is also a Clothworker Members' Charity Fund Committee which determines grants to be made from the Clothworkers Members' Fund.

Decision-making Processes

Trustees' meetings are held four times each year. The business of these meetings is, broadly, to develop strategy, to set and monitor objectives, and to consider reports and recommendations from the standing committees referred to above.

The standing committees are permitted to make decisions on operational matters within the policies previously agreed by the Trustees; their duties are laid down in the policy and procedures manual. In particular, grants of up to £50,000 may be approved by the relevant committee. Above this threshold, the Trustee Board itself will make decisions as to whether to award a grant, a visit having been undertaken by a Trustee and a Visit Report viewed by the Board.

Committees have the ability to form sub-committees to deal with more detailed matters, and for taking decisions in accordance with delegated authorities agreed by the Trustees. Currently, there are three standing sub-committees, all of which report to the Finance, Investment and General Purposes Committee: Budget, Risk and Audit, and Social Investment.

The duties of these sub-committees reflect their areas of specialism. In particular, the Budget Sub-Committee recommends the annual budget, and undertakes detailed monitoring of the budget throughout the year. The principal duties of the Risk and Audit Sub-Committee are as follows: to determine the nature and scope of the audit, request specific investigations from the auditors from time to time, and consider any issues arising therefrom; to ensure that the assets and funds are accounted for and safeguarded; to ensure that adequate financial controls are maintained; to monitor compliance in all respects; and to review risk exposure and ensure that appropriate steps are taken to mitigate risks. The Social Investment Sub-Committee assesses potential social investment opportunities and monitors the performance of the existing portfolio.

Risk Assessment - Principal Risks and Uncertainties

The major risks to which the Foundation is exposed, as identified by the Trustees, are reviewed on an annual basis, and systems have been established to manage those risks; this process is overseen by the Risk and Audit Sub-Committee. The Risk Register is reviewed and updated, discussed by the Finance, Investment and General Purposes Committee and approved by the Trustees annually.

The Trustees have identified the following principal risks which are assessed as a significant threat to the Foundation:

Reputational risk	• Transparency of strategy in Annual Review and via website. • Ongoing dialogue with stakeholders.
Inadequate financial controls	• Structured committee oversight. • Management processes in place.
Investment portfolio does not exhibit appropriate risk and return attributes	• Structured investment policy. • External investment advice and management. • Diversity, prudence and liquidity criteria. • Regular performance monitoring.
IT systems are inadequate and / or not robust	• Use of service and support contracts. • Security and authorisation procedures.. • Ongoing monitoring of operating environment.

Accordingly, the Foundation has established prudent investment and spending policies. Most of its general income is derived from its listed investment portfolio, property portfolio, cash held or as a donation from The Clothworkers' Company, the latter being ultimately derived from listed and property investments. Subject to reserve requirements, the Foundation's policy is to spend all available income, plus any additional amounts that may be transferred from expendable endowment funds, when considered appropriate.

The Foundation has received a significant annual donation from The Clothworkers' Company for many years. Although there is no absolute assurance that these donations will continue, the Company has confirmed its intention to carry on providing such support, and it is expected that the Company would inform the Foundation in the event of a change in its policy.

The Trustees consider that, since the nature of the Foundation's grantmaking activity involves very little by way of un-accrued future commitments, it is unlikely that any unplanned reduction in funds available for grants would have an impact on beneficiaries to whom commitments have already been made. Furthermore, the maintenance of general reserves allows commitments to be fulfilled in a timely fashion.

Connected Charities and Restricted Funds

Until 2013, The Clothworkers' Foundation was the corporate trustee of three Trusts: The Clothworkers' Charity for Education, The Clothworkers' Charity for Relief in Need and The Clothworkers' Charity for Welfare of the Blind, and of The Clothworkers' Foundation Common Investment Fund (the CFCIF). In that year, with the concurrence of the Charity Commission, the assets of the three Trusts were transferred to the Foundation, to be held as restricted funds of the Foundation going forward, and the CFCIF was liquidated.

The Trustees continue to apply the income and assets contained within the three restricted funds in accordance with the trust deeds of the three liquidated Trusts.

Further information about the transfer and the restricted funds is contained within notes 1(k) and 17.

Related Party Transactions

The Clothworkers' Foundation is a related party of The Clothworkers' Company and its subsidiary company, Ramteazle Limited. The Clothworkers' Company is a City of London Livery Company. Further details of related parties, and any associated transactions, are disclosed in note 19.

The policy of the Foundation, in respect of potential related party transactions involving Trustees, is to avoid any conflicts of interest. Accordingly, when a Trustee has a material interest in any matter being considered by the Foundation, that Trustee does not participate in the decision-making process.

Remuneration of key management personnel

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee, which includes Company Members who are also Trustees of the Foundation and therefore represent the Foundation's interests. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Company and Foundation's objectives.

FINANCIAL REVIEW AND PERFORMANCE

Investment Policy

The Foundation seeks to maximise the total return on its portfolio, within the constraints imposed by the need to control risk.

The assets of the Foundation (incorporating those of the three liquidated Trusts) are allocated in accordance with the results of an investment strategy review, conducted in 2016, and implemented in 2017. A further review was undertaken in 2022, however with significant cash inflows as a result of donations from The Clothworkers' Company in 2022 and 2023, as well as additional listed investment units donated in 2022, the review is being revisited. It is anticipated that an implementation plan will be agreed in 2024. The adopted asset allocation seeks to achieve diversification and hence enhance risk control, and encompasses UK equities, overseas equities, emerging market equities and fixed interest. The one direct property holding has now been enhanced by the two leasehold interests donated by The Clothworkers' Company in December 2022. The equities allocation is managed in conjunction with our investment manager and held in the form of unitised investments.

The primary strategic long-term investment objective is the requirement that the overall investment portfolio should perform in accordance with the policy benchmark, which is made up of a blend of relevant indices. In addition, there is a secondary objective that the portfolio should maintain its value in real terms over time, as measured by the Consumer Price Index including housing costs (CPIH) and Retail Price Index (RPI).

The Foundation uses the income arising from the portfolio in furtherance of its charitable objectives, and of those of its restricted funds. It also considers the capital return earned on its portfolio, and any further endowment donations received, and is prepared to utilise some of its expendable endowment to support current grantmaking, if it is considered appropriate to do so.

Funds and Reserves Policy

The net assets of the Foundation are divided between 'restricted funds' and 'unrestricted funds' as set out below:

- Restricted Funds

  Permanent Endowment Fund: this fund totals £64.60 million (2022: £60.97 million) and represents donations received which were subject to a condition requiring their permanent retention as an endowment. Income arising is credited to the General Fund.

  Expendable Endowment Fund: this fund totals £127.85 million (2022: £107.55 million) and represents donations received which were subject to a condition requiring their retention as an endowment, but allowing the Trustees to spend the fund in accordance with the Foundation's objects, if they so decide. Income arising is credited to the General Fund.

  Members' Endowment Fund: this fund totals £0.39 million (2022: £0.35 million) and represents donations received from members of The Clothworkers' Company, matched by the Company, which were subject to a condition requiring their retention as an endowment. Income arising is credited to the Clothworker Members' Fund (previously Clothworkers' Charity Fund).

Funds and Reserves Policy (continued)

Social Investment Fund: this fund totals £1.75 million (2022: £1.75 million), and was established during 2017, following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation during 2018, and these funds were subsequently committed or allocated. During 2021, the Trustees agreed a transfer of £1 million from the Expendable Endowment Fund to the Social Investment Fund, which has now been committed in full. (see section above).

Other restricted funds: there are three further restricted funds, totalling £55.03 million (2022: £51.90 million), which represent the capital of three Trust funds transferred to the Foundation in 2013 (see above). The income arising on these three funds is used to fund grants which correspond with the objects of the three Trust funds; however, the capital is currently retained to act as an endowment.

- Unrestricted Funds

Designated Capital Fund: this fund totals £99.89 million (2022: £94.28 million) and was established in 1996 to represent the capital of the Foundation at that time (see Note 1(l)), and to act as a fund to generate income for the benefit of future beneficiaries. It is the intention of the Trustees to continue to maintain this fund going forward, although income arising is credited to the General Fund.

Clothworker Members' Fund: this Fund was established in 2005 as the 'Livery Fund', to receive donations from members of the Livery of The Clothworkers' Company, matched by the Company; it has been renamed to reflect that donations are encouraged from all members. All such donations (other than those credited to the Members' Endowment Fund – see above) are used to fund grants to charities selected by the Clothworker Members' Fund Committee of the Foundation. The balance at 31 December 2023 was nil (2022: £14,889).

Designated Proactive Grants Fund (DPGF): this fund was created in 2019. All commitments made under the various proactive grants programmes are debited to the fund. Each year, a fixed amount of income is transferred from the General Fund (see below), the amount being set at a level which represents the expected long-term average annual commitment to proactive grants. Consequently, over the long-term, it is expected that total income credited to the DPGF will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund. In 2023, the Trustees agreed a transfer of £0.9 million from the General Fund and grants amounting to £1.2 million were committed. Allowing for the brought forward balance of £0.2 million, a loan of £0.1 million was made from the Expendable Endowment Fund to leave the balance at 31 December 2023 as nil (2022: £0.2 million).

General Fund: this fund is credited with all income arising, excepting amounts credited to the Clothworker Members' Fund, or restricted funds, as set out above. It is the intention of the Trustees to distribute all such income each year, subject only to the agreed general reserves policy, as described below.

- General Reserves Policy: during 2022, the Trustees reviewed the level of the General Fund. The previous policy was for the balance on the Fund to be set at the level of 15% (+/- 2%) of anticipated (General Fund) income for the year. After due consideration, the Trustees decided that it was appropriate to set the size of the General Fund at 7.5% (+ / - 2.5%) of grant commitments, in order to allow the Foundation to fulfil its commitments in a timely fashion.

At 31 December 2023, the balance on the General Fund totalled £1.05 million which was equivalent to 11.8% of total grants commitments in the year (2022: £0.64 million, 8.6%).

The Trustees are aware that the balance on the General Fund exceeds the agreed policy, much of which is due to the unusually high level of grants cancelled as part of a detailed review of outstanding commitments at the end of 2023. These will be recommitted in 2024 and the level of the General Reserve monitored during the year.

REPORT OF THE TRUSTEES

Income

Total income in 2023 was £28.45 million (2022: £80.07 million), of which £18.97 million (2022: £74.60 million) was a donation from The Clothworkers' Company and subsidiary companies. The donation was in cash (2022: £33.27 million was in the form of leasehold property interests, where the Company retains the freehold interest, £14.7 million was in the form of listed equity investments, and the remainder in cash.) Other donations totalled £0.07 million (2022: £0.07 million).

The remaining income of £9.40 million (2022: £5.40 million) was derived from investment assets, or cash holdings.

Of the donation provided by The Clothworkers' Company, £18.07 million (2022: £71.93 million) was subject to a restriction that it be used as an expendable endowment (see note 1(h)).

Expenditure

Grants to charitable organisations totalling £9.27 million (2022: £7.49 million) were committed during the year (see note 7), which included the recommitment of cancelled and returned grants accrued in earlier years, totalling £0.36 million (2022: £0.01 million). Details of grants made, in excess of £25,000, are published in the Annual Review, and on the Foundation's website (www.clothworkersfoundation.org.uk).

Total expenditure during the year, excluding grants, was £1.83 million (2022: £1.30 million), of which expenditure on raising funds totalled £0.24 million (2022: £0.34 million).

Investment Performance

The current asset allocations is shown below:

	2023 %	2022 %
UK equity units	31	31
Overseas equity units	31	28
Emerging markets units	8	9
Fixed interest units	3	3
Direct freehold property	25	27
Uninvested cash	2	2
	100	100

Over the course of 2023, after allowing for new funds received, the Foundation's investment assets (excluding property) earned a total return of 10.6% (2022: -5.3%). The policy benchmark, based on a blend of relevant indices, against which the Fund benchmarks itself, increased by 10.7% (2022: -5.6%), whilst RPI increased by 5.2% (2022: 13.5%). CPIH, which is now used as a more relevant benchmark for inflation increased by 4.2%.

AUDITORS

Saffery LLP have signified their willingness to continue in office as auditors.

The Trustees' Report, which includes the Directors' Report and Strategic Report for the purposes of company law, was approved by the Board of Trustees on 1st July 2024 and signed on their behalf by:



Hanif Virji
Chair

First floor, 16 Eastcheap
London EC3M 1BD

1 July 2024

Opinion

We have audited the financial statements of The Clothworkers' Foundation for the year-ended 31 December 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement 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 charitable company's state of affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 charitable company'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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company'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 charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, 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 charitable company'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 charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

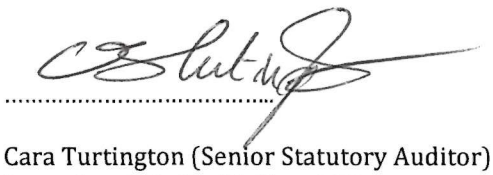
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 3 July 2024

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

	Notes	Unrestricted Funds (note 15) Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Unrestricted Funds Designated Capital (note 1k)	Endowment Funds (note 16) Endowments (notes 1f, 1g,1h)	Other Restricted Funds (note 17) Social Investment, and Other (note 1i, 1j)	Total 2023	Total 2022
		2023	2023	2023	2023	2023	2022
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME from:							
Donations	2	950	-	18,093	-	19,043	74,668
Rental income		1,796	-	-	1	1,797	2
Investment income	3	4,697	-	-	1,154	5,851	5,324
Deposit interest and other income		1,754	-	-	-	1,754	78
Rent, deposits, and investment income		8,247	-	-	1,155	9,402	5,404
Total Income		9,197	-	18,093	1,155	28,445	80,072
EXPENDITURE on:							
Raising funds	5	(72)	(51)	(92)	(28)	(243)	(335)
Charitable activities							
Grants to charitable organisations	7	(7,806)	-	-	(1,108)	(8,914)	(7,391)
Support costs	8	(1,583)	-	-	-	(1,583)	(961)
Costs of grant-making		(9,389)	-	-	(1,108)	(10,497)	(8,352)
Total Expenditure		(9,461)	(51)	(92)	(1,136)	(10,740)	(8,687)
Operating (deficit)/surplus		(264)	(51)	18,001	19	17,705	71,385
Transfers	6	463	-	(463)	-	-	-
Gains /(losses) on investments:							
- realised	9	-	-	-	-	-	96
- unrealised	9	-	5,661	6,420	3,114	15,195	(19,112)
Net income/(expenditure)		199	5,610	23,958	3,133	32,900	52,369
Fund balances brought forward at 1 January		855	94,283	168,871	53,647	317,656	265,287
Fund balances carried forward at 31 December		1,054	99,893	192,829	56,780	350,556	317,656

The Statement of Financial Activities incorporates the Statement of Income.
All income and expenditure is derived from continuing operations.

The notes on pages 21 to 35 form part of these accounts.

	2023 £'000	2022 £'000
Total income of continuing operations	28,445	80,072
Total expenditure of continuing operations	(10,707)	(8,606)
Total net gains/(losses) on investments	11,534	(14,250)
Net income for the year	29,272	57,216

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 17 which, together with the notes to the accounts on pages 21 to 35, provides full information on the movements during the year of all the funds of the Foundation.

STATEMENT OF FINANCIAL POSITION

Company No. 1321952	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
FIXED ASSETS					
Investments at market value:					
Listed investments	9		223,969		207,924
Investment property	9		76,350		77,200
Uninvested cash	12		5,928		6,276
			306,247		291,400
Social investments	10		1,436		1,512
CURRENT ASSETS					
Debtors	11	1,200		333	
Cash at bank and on deposit	12	49,238		33,174	
		50,438		33,507	
CREDITORS					
Amounts falling due within one year	13	(7,095)		(8,489)	
NET CURRENT ASSETS			43,343		25,018
CREDITORS					
Amounts falling due after more than one year	13		(470)		(274)
NET ASSETS	18		350,556		317,656
RESTRICTED FUNDS					
Permanent Endowment Fund	1(g), 16, 18		64,596		60,969
Expendable Endowment Fund	1(h), 16, 18		127,846		107,554
Members' Endowment Fund	1(i), 16, 18		387		348
Social Investment Fund	1(j), 17, 18		1,750		1,750
Other restricted funds	1(k), 17, 18		55,030		51,897
UNRESTRICTED FUNDS					
Designated Capital Fund	1(l), 15, 18		99,893		94,283
Clothworker Members' Fund	1(m), 15, 18		-		15
Designated Proactive Grants Fund	1(n), 15, 18		-		200
General Fund	1(o), 15, 18		1,054		640
TOTAL FUNDS			350,556		317,656

The notes on pages 21 to 35 form part of these accounts.

The financial statements were approved by the Board of Trustees and authorised for issue on 1st July 2024 and are signed on their behalf by:

Hanif Virji
Chair of The Clothworkers' Foundation

Peter Jonas
Chair of the Finance, Investment and General Purposes Committee

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Net cash outflow from operating activities	14		(11,536)		(4,394)
Cash flows from investing activities					
Investment income receipts		5,608		4,988	
Rental and interest income		3,550		80	
Purchases of investments		-		(9,258)	
Sales of investments		-		14,309	
Decrease/(increase) in cash awaiting investment		349		(4,852)	
Net cash inflow from investing activities			9,507		5,267
Cash flows from financing activities					
Endowment donations received		18,093		23,944	
Net cash inflow from financing activities			18,093		23,944
Increase in cash and cash equivalents			16,064		24,817
Cash and cash equivalents at the start of the year			33,174		8,357
Cash and cash equivalents at the end of the year			49,238		33,174

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Cash Equivalents £'000	Cash at bank £'000	Total £'000
At 1 January 2022	3,701	4,656	8,357
Net cash inflow/(outflow)	2,791	22,026	24,817
At 31 December 2022	6,492	26,682	33,174
Net cash (outflow)/inflow	41,454	(25,390)	16,064
At 31 December 2023	47,946	1,292	49,238

The Clothworkers' Foundation does not have any debt (2022: none).

1. ACCOUNTING POLICIES

The Clothworkers' Foundation is a charity registered with the Charity Commission (registration number: 274100) and a company limited by guarantee (registration number: 1321952) in England and Wales. The registered office and principal address is First floor, 16 Eastcheap, London EC3M 1BD.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and the applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis and the Foundation meets the definition of a public entity under FRS 102.

The principal accounting policies adopted are described below and are consistent with previous years.

(b) Investments

Investments are stated at market value and consist of units in listed investment funds, a freehold property, two leasehold properties and cash awaiting investment. Gains and losses on the sale and revaluation of investments are shown in the Statement of Financial Activities.

(c) Social investments

Social investments comprise concessionary loans and mixed motive investments. Where the investment is a concessionary loan, the carrying value of the loan reflects the original loan value net of any repayments or provisions for amounts not expected to be recovered. Mixed motive investments are initially measured at the transaction price of the investment and subsequently at their fair value where this can be measured reliably. Where this is not possible, they are measured at cost less impairment. Any movements on mixed motive investments are included as gains or losses on financial investments within the Statement of Financial Activities.

(d) Income

Donations are accounted for when they become receivable. Investment income is recognised when it becomes 'ex-dividend'. Rental income, and deposit interest, are recognised according to the period to which it relates.

(e) Costs of generating funds

These are the costs of managing listed, property and cash investments. Investment management fees suffered within fund investments are grossed up, based on the fee rate applied to market value.

(f) Grants to charitable organisations

Grants are accounted for in the year in which a binding obligation arises. This includes grants payable in a future year where any relevant conditions have been fulfilled by the balance sheet date, or are dependent on an external event over which the Foundation has no control.

(g) Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An

1. ACCOUNTING POLICIES (continued)

appropriate proportion of the costs of generating income is charged to this Fund. Also included within this Fund is the capital transferred from the Charity of Margaret Holligrave in 2004 (see note 16).

(h) Expendable Endowment Fund

The expendable endowment has been received by way of donations over a number of years subject to a condition that capital could be retained or distributed as the Trustees determined. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund.

(i) Members' Endowment Fund

At 1 January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts, and donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation. Subsequent endowment donations from such members have also been credited to this Fund; investment income arising from its assets is credited to the Clothworker Members' Fund. An appropriate proportion of the costs of generating income is also charged to the Members' Endowment Fund.

(j) Social Investment Fund

The Social Investment Fund was established in 2017, to which are credited donations received subject to a restriction that they be applied to social investment (see note 17).

(k) Other restricted funds

Three restricted funds relate to three previous Trusts which formerly existed as separate charities.

During 2013, the Foundation applied to The Charity Commission for permission to pay the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities (see note 17).

(l) Designated Capital Fund

The Designated Capital Fund was set aside in 1996 out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The Fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the Fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. Income arising from the Fund is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Designated Capital Fund.

(m) Clothworker Members' Fund (previously Clothworkers' Charity Fund)

The Livery Fund was established in 2005; it was renamed as the Clothworkers' Charity Fund (CCF) in 2019, and the Clothworker Members' Fund (CMF) in 2022.

The CMF is made up of regular donations from the membership of The Clothworkers' Company, which are matched by donations from the Company itself. Investment income arising on the Members' Endowment Fund is also credited to the CMF (see note 15).

1. ACCOUNTING POLICIES (continued)

The income of the Fund is distributed annually; distributions are recommended by the Clothworker Members' Fund Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year. In the event of a deficit arising on the Fund, a compensating transfer is made from the General Fund.

(n) Designated Proactive Grants Fund (DPGF)

The DPGF was established during 2019, in order to provide greater clarity in the reporting of the Proactive grants programme.

A transfer is made to the DPGF each year based upon the average amount to be allocated to proactive grants; this transfer is paid from the General Fund, or restricted finds, as appropriate.

Proactive grant commitments are charged to the DPGF; it is planned that these will match the transfers received, taking one year with another. If a deficit arises on the DPGF in a particular year, this is offset in full by a temporary loan from the Expendable Endowment Fund.

(o) General Fund

With the exception of restricted donations, and investment income allocated to the Clothworker Members' Fund and restricted funds, all income arising is credited to the General Fund. Expenditure on support costs and governance is charged to the General Fund. When budgets are set, the level of grants is determined with reference to the agreed reserves policy.

(p) Significant accounting judgments and estimates

The preparation of the financial statements in accordance with FRS 102 requires management to exercise judgement in applying the Foundation's accounting policies. The areas where the Foundation considers the judgements to be the most significant involve assumptions or estimates in respect of future events where actual results may differ from these estimates. The estimate of the valuation of investment properties is considered significant (see note 9).

2. DONATIONS

	Unrestricted Funds		Restricted Funds		
	General Fund	Clothworker Members' Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL
	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000
The Clothworkers' Company	829	59	9	18,074	18,971
Ramteazle Limited	-	-	-	-	-
Member donations	-	62	10	-	72
	829	121	19	18,074	19,043

	Unrestricted Funds		Restricted Funds		
	General Fund	Clothworker Members' Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
The Clothworkers' Company	2,494	59	9	71,925	74,487
Ramteazle Limited	113	-	-	-	113
Member donations	-	59	9	-	68
	2,607	118	18	71,925	74,668

Member donations are received from members of The Clothworkers' Company, including Gift Aid recoveries, and are credited to the Clothworker Members' Fund, or Members' Endowment Fund, in accordance with each member's wishes.

3. INVESTMENT INCOME

Investment income arises from units held in various listed investment funds; these funds are invested in UK equities, overseas equities, fixed interest funds, and a commodities fund.

4. OPERATING LEASES

The Foundation acts as a lessor in connection with operating leases and continues to recognise the assets subject to the operating lease as assets on its balance sheet. The lease amounts received from the lessees are recognised in the Statement of Financial Activities on a receivable basis. The leases relate to the rental of property. The future minimum lease receipts arising from non-cancellable operating leases are shown below.

The amounts due to the Foundation fall due as follows:

	2023 £'000	2022 £'000
Within one year	806	806
Between two and five years	3,221	3,223
After five years	27,336	28,140
	31,363	32,169

5. COSTS OF GENERATING FUNDS

The cost of generating funds consists of listed investment management fees and investment property management costs; these are charged to the Designated Capital Fund (see note 15), the endowment Funds (see note 16), and some restricted Funds (see note 17) in proportion to the investment holdings of each fund.

Some additional fees are also incurred in respect of the Foundation's cash management service; these are charged to income (General Fund – see note 15).

6. TRANSFERS

The following transfers were made during the year:

	Expendable Endowment Fund	General Fund	Designated Proactive Grants Fund (DPGF)	Social Investment Fund	TOTAL
	£'000	£'000	£'000	£'000	£'000
Funding for Proactive Grants programme	-	(900)	900	-	-
To reset DPGF balance	(114)	-	114	-	-
Allocate to current year	(349)	349	-	-	-
	(463)	(551)	1,014	-	-

6. TRANSFERS (continued)

- The Trustees agreed to make a transfer from the Expendable Endowment Fund to the Designated Proactive Grants Fund to fund two specific commitments made under the Proactive Grants programme.

- The Trustees decided to transfer £349,000 (2022: £196,000) from the Expendable Endowment Fund to the General Fund in order to supplement income from the listed investment portfolio, and to facilitate a higher level of grant-making.

7. CHARITABLE GRANTS

	2023 £'000	2022 £'000
Proactive programmes:		
Racial Equity	1,200	-
Better Futures	-	50
Care Leavers	-	250
	1,200	300
Alcohol and Substance Misuse	266	206
Domestic and Sexual Violence	505	427
Homelessness	815	381
Disadvantaged Minority Communities	1,178	1,596
Older People Facing Disadvantage	337	514
People with Disabilities	2,337	1,585
Prison & Rehabilitation	287	69
Visual Impairment	128	113
Young People Facing Disadvantage	1,928	2,031
Economic Disadvantage	5	-
Other	285	269
Total grant commitments	9,271	7,491
Returned /cancelled grants	(357)	(100)
Total grants	8,914	7,391

Details of grants made are published in the Foundation's Annual Review which can be downloaded from the Foundation's website (www.clothworkersfoundation.orguk).

21 grants accrued in a prior year were returned or cancelled (2022: 11).

All grants were awarded to institutions.

8. SUPPORT COSTS

	2023 £'000	2022 £'000
Administrative services provided by Ramteazle Ltd:		
Staff costs	845	619
Other costs	568	286
	1,413	905
Direct costs:		
Auditors' remuneration - audit services	28	14
- non-audit services	-	-
Other governance costs	17	13
Proactive grants – direct costs	36	4
Other support costs	89	25
	1,583	961

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee, which includes Company Members who are also Trustees of the Foundation and therefore represent the Foundation's interests. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Company and Foundation's objectives.

The Foundation's share of total remuneration paid to key management personnel provided as part of this service was £201,803 (2022: £152,268).

No Trustee may receive any salary or fees or receive any remuneration or other benefit, other than expenses reimbursed, from the Foundation save as expressly permitted by the Articles of Association. During the year payments to Trustees totalled £90 (2022: £175).

9. INVESTMENTS

	2023 £'000	2022 £'000
Listed investments		
Carrying value at 1 January	207,924	214,885
Add: Acquisitions at cost	-	23,992
Less: disposals at carrying value (proceeds: £14,303,179)	-	(14,207)
Net gain/(loss) on revaluation at 31 December	16,045	(16,746)
Market value at 31 December	223,969	207,924
Investment property		
Carrying value at 1 January	77,200	46,300
Add: Acquisitions at cost	-	33,265
Net loss on revaluation at 31 December	(850)	(2,365)
Market value at 31 December	76,350	77,200
Cash to be invested	5,928	6,276
Total Investments at Market Value	306,247	291,400

The investment properties were formally professionally revalued at open market value as at 31 December 2023 by Knight Frank LLP (2022: Capital Real Estate Partners LLP). The properties were valued using the investment method of valuation; this means that the passing rent and estimated rental values have been capitalised using investment yields. Purchaser's costs have then been deducted to arrive at a net value.)

The valuation of the Foundation's investment portfolio is inherently subjective. It is based on a number of assumptions including, but not limited to, matters such as the underlying tenure and tenancy details for the properties, prevailing market yields and comparable market transactions. As a result the estimated values of the Foundation's investment properties are subject to a degree of uncertainty and are determined on the basis of assumptions which may not prove to be accurate.

10. SOCIAL INVESTMENTS

During 2019 and 2020, commitments of £150,000 and £50,000 were made to the CAF Venturesome Fund, and London Play Design, respectively. Both commitments were fully paid up during 2020. In 2023 £107,187 was repaid by the CAF Venturesome Fund.

In 2021 three commitments totalling £1.45 million were made: Refuaid (£200,000, fully paid); Charity Bank (£1million, fully paid); and Women In Safe Homes Fund (£250,000 fully paid). To date £160,248 has been drawn down from the Women in Safe Homes Fund including £42,748 in 2023, and agreed repayments of £6,786 received from London Play Design.
At 31 December 2023, commitments of £89,572 to the Women in Safe Homes Fund remain outstanding (2022: £132,500).
In December 2023 a commitment of £1 million was made to the Recovery Loan Fund.

11. DEBTORS

	2023 £'000	2022 £'000
Intercompany - Clothworkers Company	322	-
Accrued income and prepayments	866	-
Other debtors	12	333
	1,200	333

12. CASH AND DEPOSITS

At 31 December 2023 all money on short-term deposit was held in interest-bearing bank accounts, or in a managed cash fund.

Cash and deposits totalling £49,238,000 (2022: £33,174,000) is reported within current assets, and an additional sum of £5,928,000 (2022: £6,277,000), derived from endowment donations received, is included in fixed assets.

13. CREDITORS

	2023 £'000	2022 £'000
Amounts falling due within one year		
Grants commitments unpaid	6,656	6,690
Other accruals	63	28
Rent receivable in advance	360	315
Other creditors	16	1,456
	7,095	8,489
Amounts falling due after more than one year		
Grants commitments unpaid	470	274

Rent receivable in advance relates to rent for the 1st quarter of 2024 that was invoiced in 2023.

14. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Operating surplus	17,705	71,385
Investment and property management expenses	243	335
Donations received into endowed funds	(18,093)	(71,944)
Investment income receivable	(5,851)	(5,324)
Rental income receivable	(1,797)	(2)
Interest receivable	(1,754)	(78)
Repayment of social investment loans	119	-
Social investment payments	(43)	(44)
(Increase)/decrease in debtors	(867)	(8)
Increase/(decrease) in creditors	(1,198)	1,286
Net cash outflow from operating activities	(11,536)	(4,394)

15. UNRESTRICTED FUNDS

	General Fund	Clothworker Members' Fund	Designated Proactive Grants Fund	Designated Capital Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	**795**	**19**	**-**	**101,778**	**102,592**
Donations (see note 2)	2,607	118	-	-	2,725
Rental income	2	-	-	-	2
Investment income	4,181	7	-	-	4,188
Deposit interest and other income	78	-	-	-	78
Costs of generating funds	(10)	-	-	(126)	(136)
Support costs	(961)	-	-	-	(961)
Grants to charitable organisations	(5,748)	(129)	(300)	-	(6,177)
Transfer from Expendable Endowment Fund	196	-	-	-	196
Transfer from General Fund	(500)	-	500	-	-
Reverse loans from Expendable Endowment Fund	-	-	-	-	-
Transfer from Expendable Endowment Fund	-	-	-	-	-
Realised gains on investments	-	-	-	37	37
Unrealised gains on investments	-	-	-	(7,406)	(7,406)
Balance at 31 December 2022	**640**	**15**	**200**	**94,283**	**95,138**
Donations (see note 2)	829	121	-	-	950
Rental income	1,796	-	-	-	1,796
Investment income	4,689	8	-	-	4,697
Deposit interest and other income	1,754	-	-	-	1,754
Costs of generating funds	(72)	-	-	(51)	(123)
Support costs	(1,569)	-	(14)	-	(1,583)
Grants to charitable organisations	(6,462)	(144)	(1,200)	-	(7,806)
Transfer from Expendable Endowment Fund	349	-	-	-	349
Transfer from General Fund	(900)	-	900	-	-
Loans from Expendable Endowment Fund	-	-	114	-	114
Transfer from Expendable Endowment Fund	-	-	-	-	-
Realised gains on investments	-	-	-	-	-
Unrealised gains on investments	-	-	-	5,661	5,661
Balance at 31 December 2023	**1,054**	**-**	**-**	**99,893**	**100,947**

General Fund

All income and costs are credited or debited to the General Fund, excluding those amounts which must be credited or debited to other Funds. All grants are debited to the General Fund unless they are assigned to the Designated Proactive Grants Fund, the Clothworker Members' Fund, or other restricted funds.

15. UNRESTRICTED FUNDS (continued)

Clothworker Members' Fund

The Clothworker Members' Fund is credited with donations from members of The Clothworkers' Company, and matching donations from the Company itself. The Fund is also credited with rental income and investment income derived from the Members' Endowment Fund. Grants debited are determined by the Clothworker Members' Fund Committee.

Designated Capital Fund

The Designated Capital Fund was established for the reasons explained in note 1(k). All income arising is credited to the General Fund.

Designated Proactive Grants Fund

The Designated Proactive Grants Fund was established for the reasons explained in note 1(m).

16. ENDOWMENT FUNDS

	Expendable endowment	Permanent endowment - general	Permanent endowment - Margaret Holligrave	Members' endowment	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	**38,674**	**54,999**	**10,817**	**357**	**104,847**
Donations (see note 2)	71,925	-	-	18	71,943
Repay loans from Designated Proactive Grants Fund	-	-	-	-	-
Transfer to Designated Proactive Grants Fund	-	-	-	-	-
Transfer to General Fund	(196)	-	-	-	(196)
Transfer to Social Investment Fund	-	-	-	-	-
Costs of generating funds	(48)	(68)	(14)	-	(130)
Realised losses on investments	14	20	4	-	38
Unrealised gains on investments	(2,815)	(4,002)	(787)	(27)	(7,631)
Balance at 31 December 2022	**107,554**	**50,949**	**10,020**	**348**	**168,871**
Donations (see note 2)	18,074	-	-	19	18,093
Repay loans from Designated Proactive Grants Fund	-	-	-	-	-
Transfer to Designated Proactive Grants Fund	(114)	-	-	-	(114)
Transfer to General Fund	(349)	-	-	-	(349)
Transfer to Social Investment Fund	-	-	-	-	-
Costs of generating funds	(58)	(29)	(5)	-	(92)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	2,739	3,059	602	20	6,420
Balance at 31 December 2023	**127,846**	**53,979**	**10,617**	**387**	**192,829**

Permanent Endowment Fund

This Fund includes the capital portion of the Charity of Margaret Holligrave which was transferred to the Foundation by a Scheme of the Charity Commission dated 9 March 2004; the value of the capital portion of the Charity at that date was £3,943,763. At 31 December 2023, the portion of the Fund representing the capital of the Charity was valued at £10,617,029 (2022: £10,020,605). The Scheme permitted income arising from the endowment to be distributed for such charitable purposes as the Foundation shall determine. All income arising is credited to the General Fund.

16. ENDOWMENT FUNDS (continued)

Expendable Endowment Fund

Donations have been received from The Clothworkers' Company over a number of years with the express intention that they be treated as an expendable endowment fund. The gifts were made with the instruction that the capital should be used as an endowment but could be distributed should the Trustees decide to do so in the future. All income arising is credited to the General Fund.

Members' Endowment Fund

Donations are received from members of The Clothworkers' Company. Where the member stipulates that the donation should be retained and invested, it is credited to the Members' Endowment Fund. All such donations are matched by The Clothworkers' Company. All income arising is credited to the Clothworker Members' Fund.

17. OTHER RESTRICTED FUNDS

	Social Investment	Education	Relief in Need	Welfare of the Blind	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022	**1,749**	**11,182**	**31,651**	**13,266**	**57,848**
Rental income	-	-	-	-	-
Investment income	1	226	640	268	1,135
Transfer from Expendable Endowment Fund	-	-	-	-	-
Costs of generating funds	-	(14)	(39)	(16)	(69)
Grants to charitable organisations	-	(240)	(680)	(294)	(1,214)
Realised losses on investments	-	4	12	5	21
Unrealised gains on investments	-	(812)	(2,299)	(963)	(4,074)
Balance at 31 December 2022	**1,750**	**10,346**	**29,285**	**12,266**	**53,647**
Rental income	-	-	1	-	1
Investment income	-	230	651	273	1,154
Transfer from Expendable Endowment Fund		-	-	-	-
Costs of generating funds	-	(6)	(16)	(6)	(28)
Grants to charitable organisations	-	(256)	(577)	(275)	(1,108)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	-	621	1,757	736	3,114
Balance at 31 December 2023	**1,750**	**10,935**	**31,101**	**12,994**	**56,780**

Social Investment Fund

This Fund was established in 2017; total initial donations of £750,000 were received from The Clothworkers' Company. During 2021, the Trustees agreed a transfer of £1,000,000 into the Fund, sourced from the Expendable Endowment Fund.

17. OTHER RESTRICTED FUNDS (continued)

Education - Relief in Need - Welfare of the Blind

These funds relate to resources transferred from three Trusts in 2013, plus subsequent net income and investment gains and losses (see note 1(j)). Investment management costs are charged against each Fund, but other running costs are met by the General Fund of the Foundation.

Grants are made in accordance with the objects of the original charities, as set out below. Where the objects of a Fund require that preference is given to a particular constituency when applying a proportion of the income, the Trustees give precedence to such appeals when considering applications.

Education:

The income is used to advance the education of the public, with preference in respect of 75% of the income being given to persons under age 25 who live in, or attend educational establishments in, or whose parents live in, Greater London.

Relief in Need:

A minimum of 92.5% of the income is used to relieve hardship, subject to the following preferences:

(i) 4% to people who reside in the London Boroughs of Islington and Camden; then to people who reside in neighbouring boroughs and then to people who reside in Greater London;

(ii) 3% to people who reside in Greater London, then to people who live in neighbouring counties; and then to people who reside in the remainder of the UK.

Welfare of the Blind:

A minimum of two-thirds of the income is used to relieve hardship of people in the UK who are visually impaired.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Endowment funds (see note 16)	Other restricted funds (see note 17)	Total Funds 2023
	General	Designated Capital	Other			
	£'000	£'000	£'000	£'000	£'000	£'000
Listed investments and freehold property	-	99,893	-	167,999	32,427	300,319
Fixed asset cash	-	-	-	5,928	-	5,928
Social investments at cost	-	-	-	-	1,436	1,436
Current assets	7,562	-	-	18,902	23,974	50,438
Current liabilities	(6,038)	-	-	-	(1,057)	(7,095)
Long term creditors	(470)	-	-	-	-	(470)
	1,054	99,893	-	192,829	56,780	350,556

Total funds include revaluation reserves of £82,950,000 (2022: £67,755,000).

19. RELATED PARTY TRANSACTIONS

A majority of the Trustees of The Clothworkers' Foundation are members of the Livery of The Clothworkers' Company, which means that the two organisations are related parties. All transactions were entered into on normal commercial terms.

Transactions concerning related parties were as follows:

	2023 £'000	2022 £'000
Amounts received/(paid)		
Donations:		
The Clothworkers' Company	18,971	74,487
Ramteazle Limited	-	113
Administrative service charges:		
Ramteazle Limited	1,413	(905)
Debtors/(creditors)		
The Clothworkers' Company	-	313
Ramteazle Limited	322	(1,455)

Ramteazle Limited is a wholly owned subsidiary of The Clothworkers' Company.

There were no potential conflicts of interest involving Trustees.

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds (note 15)		Restricted Funds (notes 16, 17)		Total
	Clothworker Members', Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Social Investment, and Other (note 1i, 1j)	
	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000
INCOME from:					
Donations	2,724	-	71,944	-	74,668
Rental income	2	-	-	-	2
Investment income	4,188	-	-	1,136	5,324
Deposit interest and other income	78	-	-	-	78
Total Income	6,992	-	71,944	1,136	80,072
EXPENDITURE on:					
Raising funds	(10)	(126)	(130)	(69)	(335)
Charitable activities					
Grants to charitable organisations	(6,177)	-	-	(1,214)	(7,391)
Support costs	(961)	-	-	-	(961)
Costs of grant-making	(7,138)	-	-	(1,214)	(8,352)
Total Expenditure	(7,148)	(126)	(130)	(1,283)	(8,687)
Operating (deficit)/surplus	(156)	(126)	71,814	(147)	71,385
Transfers	196	-	(196)	-	-
Gains /(losses) on investments:					
- realised	-	37	38	21	96
- unrealised	-	(7,406)	(7,631)	(4,075)	(19,112)
Net (expenditure)/income	41	(7,495)	64,024	(4,201)	52,369
Fund balances brought forward at 1 January	814	101,778	104,847	57,848	265,287
Fund balances carried forward at 31 December	855	94,283	168,871	53,647	317,656

THE CLOTHWORKERS' FOUNDATION

England & Wales - Charity number 274100

Accounts

Company No. 1321952
Charity Commission Registration Number 274100

THE CLOTHWORKERS' FOUNDATION

THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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TRUSTEES AND PROFESSIONAL ADVISERS

TRUSTEES	Lucy Rawson (Chair) Andrew Blessley *[resigned 31 July 2022]* Denis Clough Chloe Holness Charlie Hutchins Emma Ingham Clark Michael Jarvis Alexander Nelson *[appointed 31 July 2022]* Susanna O'Leary Ola Opoosun Neel Patani Dhruv Patel Philip Portal *[resigned 31 July 2022]* Amir Rizwan *[appointed 27 September 2022]* Hugo Slim *[appointed 27 September 2022]* Tom Stoddart-Scott Hanif Virji
CHIEF EXECUTIVE	Jocelyn Stuart-Grumbar
FOUNDATION DIRECTOR	Jenny North
REGISTERED OFFICE AND PRINCIPAL ADDRESS	Clothworkers' Hall Dunster Court Mincing Lane London EC3R 7AH
AUDITOR	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
BANKERS	Bank of Scotland London Chief Office Old Broad Street London EC3M 5AN
INVESTMENT MANAGERS	Blackrock Advisors (UK) Murray House 1 Royal Mint Street London EC3N 4HH
WEBSITE	www.foundation.clothworkers.co.uk
CHARITY COMMISSION REGISTRATION NUMBER	274100
COMPANY REGISTRATION NUMBER	1321952

The Trustees present their Report and the financial statements of the Foundation for the year ended 31 December 2022; these have been prepared in accordance with the provisions of the Statement of Recommended Practice (FRS102), *Accounting and Reporting by Charities*, issued in 2015, Second Edition, effective 1 January 2019 (the "SORP"). The information on the preceding pages forms part of this report. This report also includes the information required in a Directors' Report and a Strategic Report for the purposes of company law.

THE 2022 CONTEXT

During 2022, the Foundation moved away from the context of emergency grantmaking during the Covid-19 pandemic. Our Covid-19 programmes were spent down and not renewed, and our Open Grants Programmes operated 'as normal', with demand for these programmes high.

Our investment income also recovered during 2022, and our total grantmaking was slightly increased compared to 2021. Towards the end of 2022, we agreed a 10% uplift on recent Open Grant awards to respond to the rising cost of living.

2022 also saw The Foundation undertake a Strategic Review of activities and develop a new five-year strategy which comes into effect from 2023.

- The Strategic Review defined The Foundation's mission as 'to support charities and social businesses that work with marginalised and disadvantaged people and communities, and those working towards a more equitable society.'
- Under this mission, we confirmed our long-term commitment to supporting the infrastructure of these organisations though capital funding via or Open Grants Programme.
- We committed to providing 'core' funding to organisations advancing equity in different ways through our Proactive Programmes.
- We will continue to provide social investment where this can support organisation's impact and/or sustainability.
- We have also identified, and will implement, improvements across our grantmaking which will help us to operate more in line with our values: equitable, adaptive, enabling. Collaborative.

HISTORY, OBJECTIVES, ACHIEVEMENTS AND PUBLIC BENEFIT

History

The Clothworkers' Foundation was incorporated in 1977 as a company limited by guarantee; it is a registered charity.

In over 40 years of activity, grants in excess of £165 million have been made by the Foundation and subsidiary trusts, to charitable organisations and individuals.

Objects

The objects of the charity are the advancement of such charitable purposes as the Foundation shall from time to time determine.

Aims and Strategies

Open Grants Programmes

The Clothworkers' Foundation aims, through its funding, to provide public benefit by improving the lives of people and communities, particularly those that face disadvantage.

It aims to achieve this through two open grants programmes which fund a range of capital projects that meet its eligibility criteria, and which fall within one or more of its specified programme areas.

This programme is the Foundation's portfolio of annual grants to a small number of selected charities with which it wishes to maintain an ongoing relationship. It is not an open grants programme.

Proactive Grants Programme

Launched in 2007, the Proactive Grants Programme is not open to funding enquiries or applications. Initiatives are developed following extensive research and consultation with organisations working in the selected sectors.

Social Investment

The Foundation has established a programme of social investment, initially funded by restricted donations received from The Clothworkers' Company. The latest investment in 2021, which was in Charity Bank, was funded from the Foundation's Expendable Endowment Fund. Future investments are likely to be funded in a similar manner.

Objectives

The objectives of the Foundation are:

- To manage its resources so as to ensure that the budget agreed for charitable grants may be distributed.
- To stimulate a flow of good quality eligible applications for funds that meet its criteria, by setting application guidelines with sufficient clarity to avoid charities wasting valuable resources in preparing submissions that are ineligible.
- To undertake an objective assessment of all applications for grants, appropriate to the scale of support contemplated.
- For the proactive programme, to develop sufficient understanding of the selected areas to allow it to identify particular activities to support and organisations with which to work.
- To maximise public benefit by distributing its income in the most effective way possible.
- To monitor the impact of the grants on the people and communities it seeks to help.
- To identify suitable initiatives for social investment.

Grantmaking Policy

The Foundation is a predominantly reactive capital funder for charities and projects meeting its published eligibility criteria. It undertakes a strategic review approximately every five years, with the most recent carried out in 2022. The review also included a strategy for the Foundation's future social investment plans.

The Foundation's grantmaking activities in 2022 were as follows:

- An open main grants programme funding capital projects of charities in one or more of the following nine programme areas: alcohol and substance misuse, people with disabilities, disadvantaged minority communities, disadvantaged young people, domestic and sexual abuse, homelessness, older people, prisoners and ex-offenders, and visual impairment. Only charities with an annual operating income of less than £15 million are eligible to apply.
- An open small grants programme awarding grants of up to £10,000 (or up to £15,000 towards vehicles) in the above areas to charities with annual income of less than £2 million.
- A regular grants programme through which a limited number of charities selected by the Foundation receive grants every year, subject to regular review.
- A proactive grants programme, established in 2007, which includes four initiatives during 2022: Dramatic Arts II, Better Futures II, Visual Impairment in Developing Countries, and a Care Leavers initiative.

Full details of the Foundation's grant-making policy and guidelines are provided on the website (www.clothworkersfoundation.org.uk); they are also published in the Annual Review, a copy of which may be downloaded from the website or obtained from The Clothworkers' Foundation, Clothworkers' Hall, Dunster Court, Mincing Lane, London EC3R 7AH.

Social Investment Policy

The Foundation seeks to identify initiatives which are suited to a 'social investment' approach; these are regarded as being complementary to existing grantmaking activities, and they fall within the existing programme areas.

The Foundation has committed to providing funding of £1.75 million from its expendable endowment towards suitable investments (partly funded by a £0.75 million donation from The Clothworkers' Company), as at 31 December 2022 £1.51 million had been invested (2021: £1.47 million).

Recent Significant Activities and Achievements

Grants totalling £7.49 million, 386 in number (2021: 7.11 million, 342 in number), were committed during the year, across the various programmes.

Through these programmes, the Trustees consider that the Foundation provides public benefit by focusing resources in areas of greatest need, and in accordance with its objectives.

Details of grants of £25,000 or more are published in the Annual Review, and case studies on selected projects are featured on the Foundation's website (www.clothworkersfoundation.org.uk). However, a summary of each programme is set out below.

- ***Open grants programme***

  £6.25 million was committed under this programme, with £4.56 million being for Large Grants including building and refurbishment projects, large vehicles, and specialist equipment. £1.69 million was allocated for Small Grants, under which grants of up to £10,000 are made to capital projects for smaller charities, increasing to £15,000 in the case of funding for minibuses.

  This year we also committed to 20% of spend under this programme going to organisations led by, and/or for, communities experiencing racial inequality. We achieved this, albeit our data collection in this area is nascent and will be improved in 2023 and beyond.

- ***Regular grants programme***

  The Foundation continued to award annual grants to a small number of selected charities under the Regular Grants Programme which does not accept applications. These included several organisations making onward grants to very small organisations and individuals in key areas of interest for The Foundation. Commitments totalling £0.37 million were made during 2022.

- ***Research, Development & Partnerships***

  This fund was designed to support the Strategic Review in 2022. It was used to support research into grantee experiences, as well as to make small grants to some existing and new grantees. It also allowed us to give a 10% uplift to recent grantees under the Open Grants Programme to reflect the rising cost of living. Commitments totalling £0.43 million were made during 2022.

- ***Proactive initiatives***

  The budgets for our four active Proactive Programmes have been fully committed in previous years. In 2022, we made further grants of £0.3 million to existing grantees.

  Care Leavers: this is the newest proactive initiative. Its broad aim is to support organisations and projects that help young people leaving the care system to transition successfully to adulthood. A total budget of £1.38 million was allocated, and this was fully committed in 2018 and 2019. £250,000 was allocated to a grantee in 2022.

  Its focus was on education, training and employment for care-leavers, as well as standardised professional training for people working with, and for, care-leavers. A final report on the outcomes has been commissioned and will report in 2023.

Visual Impairment in Developing Countries: this initiative was launched in 2012, with an initial allocation of £0.375m. Following a tender process, a single grant of £366,000 was awarded to Vision Aid Overseas, for a five-year eye care project in Sierra Leone.

The Trustees subsequently agreed a further allocation of £0.75m over a period of up to five years from 2017. This was committed through a grant of £410,000 to Orbis, in 2017, for a project which will aim to eliminate trachoma in specified regions of Ethiopia, and a further £350,000 grant to Vision Aid Overseas, in 2018, which built on the previous 2012 project. All funds for this initiative have now been committed.

Better Futures II: this initiative was set up in 2013 as a response to the 2011 riots and to the socio-economic climate felt by many to have been a root cause. With an initial £1.25 million allocation, its overarching aim was (and is) to help young people from disadvantaged backgrounds to reach their full potential.

In 2017, nfpSynergy was engaged to undertake an independent external evaluation of *Better Futures,* which found that it had met its objectives. Based both on the nfpSynergy conclusions, and on the Foundation's own internal assessment of the seven projects it had funded, *Better Futures* was extended by three years, from 2019, with a new £1.25 million allocation, and this was fully committed in 2019 and 2020. A further award of £50,000 was made to a grantee in 2022. The evaluation of the initiative will report in 2023.

Dramatic Arts II: this initiative was initially allocated £1.25 million, over five years, from 2014. It focused on excellence in the dramatic arts, and on mainstream provision. An independent external evaluation was undertaken by Sam-Culture, in 2019. Based on the findings of the evaluation, the Dramatic Arts initiative was extended, with a new £1m allocation, from 2020, and this was fully committed in the same year. A final evaluation is expected in 2023.

- ***Clothworkers' Charity Fund (previously Livery Fund – see below) programme***

  Three grants were also awarded from the Clothworkers' Charity Fund (which does not accept applications), a sub-fund which receives donations from members of The Clothworkers' Company, and which are matched by The Company itself. Commitments in 2022 totalled £129,000.

- ***Social investment activities***

  The following investments have been made to date:

  2019: - a loan of £150,000 to the CAF Venturesome Development Fund.

  2020: - a loan of £50,000 to London Play Design CIC, through the Stepping Stones Finance Facility;
  - the approval of an investment of £250,000 in the Women in Safe Housing Fund (finalised in 2021).

  2021: - a loan of £200,000 to RefuAid;
  - an investment of £1 million in Charity Bank;
  - 1st tranche of £73,250 drawn down by the Women in Safe Housing Fund.

  2022: - 2nd tranche of £44,250 drawn down by the Women in Safe Housing Fund.

- ***Strategic Investment Review***

  During 2022, the Trustees conducted the latest five-yearly strategic review of investment asset allocation, and spending policy. We will maintain our spending rule of 3% of our total asset value over a moving three-year average. We also agreed a new allocation of 10% of our assets to ESG funds and 15% to private equity funds. Implementation will commence in 2023.

STRATEGIC REVIEW

Significant Trustee and team activity this year as dedicated to the Strategic Review of activities and the development of a new strategy for 2023-27. To guide this strategy, the Trustees agreed the following:

Vision: An equitable society where all can participate and thrive

Mission: We support charities and social businesses that work with marginalised and disadvantaged people and communities, and those working towards a more equitable society

Values:

Equitable - we work to promote equity in our grantmaking and organisation, and to identify and manage bias. We strive to increase participation and representation at all levels of our organisation to advance better decision-making.

Adaptive - we strive to be responsive to the needs of our grantees and to listen to their experience as experts. We learn from them, from our peers and from our own experience to drive improvements in our work. We adapt to external change when necessary.

Enabling – we strive to provide funding and support that enables our grantees to be more impactful and sustainable, and which minimises burden on them. We aim to empower our own team through flexible and trust-based ways of working.

Collaborative - we seek to work with other funders, research organisations, and networks. We do this to serve grantees more effectively, to learn, and to share our learning.

New grantmaking and investment activities have been agreed and implementation begins in 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership

The Clothworkers' Company is the sole member of the Foundation.

Recruitment and Induction of Trustees

The Board of Trustees comprises between eight and fifteen individuals who, until 2020, had been drawn exclusively from the Court and Livery of The Company, offering a range of pertinent experience and qualifications. The Company's objective had been for the Foundation to have a board of Trustees which was balanced as to age and skills, capable of formulating the policies and strategies of the Foundation, and able to provide direction to the Chief Executive and staff on the conduct of its affairs

In 2020, the Foundation's newly formed Nominations Committee had initiated the first open recruitment process within the Company's wider membership. Two applicants had been successful and had joined the Board in late 2020. Further to this, the Nominations Committee, on behalf of the Board of Trustees, initiated a search for two independent Trustees (with no prior connection with The Company). The Board now retains, for the first time, three independent Trustees, who joined the Board in February 2021 and September 2022.

Trustees are expected to be conversant with their responsibilities. New Trustees have a full induction programme, and all Trustees are alerted to training and CPD opportunities as they arise. A register of training undertaken is maintained.

On their appointment, new Trustees are provided with a detailed induction package, including a copy of the Policy and Procedures Manual (PPM) of the Foundation, which is a compilation of the key regulations, administrative arrangements, and codes of conduct by which the Foundation operates; the PPM is regularly reviewed.

Presentations are regularly made to the Trustees on topical issues by charities operating in key spheres of the Foundation's charitable activity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Clothworkers' Foundation for the purposes of company law) 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).

Company law 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 charitable company, and of the incoming resources and application of resources, including the income and expenditure of the charitable company, 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 contained within 'Accounting and Reporting by Charities – Statement of Recommended Practice' (the SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the charitable company, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Foundation's auditors, and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

Public Benefit

The Trustees confirm that they have paid due regard to the guidance of the Charity Commission in respect of public benefit in reviewing aims and objectives, and in planning future activities, setting grantmaking policies, and awarding grants.

Fundraising

The Foundation derives all donation income from The Clothworkers' Company, the sole member, its subsidiaries and members. Therefore, the Foundation does not engage in any public fundraising activities. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and the Foundation received no complaints relating to its fundraising practice.

Committees of the Board of Trustees

The Board of Trustees has delegated specific duties to a number of standing, and other, committees which deal with operational matters:

Grants Committee:	For assessment of grant applications under the main programmes
Small Grants Committee:	For assessment of grant applications under the small grants programme
Proactive Grants Committee:	For formulating proposals for new areas of grantmaking under the proactive programme - and for assessing grants to be made in such areas, once determined
Regular Grants Committee:	For assessment of annually recurring grants
Nominations Committee:	For consideration of Board, committee, and key staff appointments
Finance, Investment and General Purposes Committee:	For financial and investment strategy/management and general matters

There is also a Clothworkers' Charity Fund Committee which determines grants to be made from the Clothworkers' Charity Fund.

Decision-making Processes

Trustees' meetings are held four times each year. The business of these meetings is, broadly, to develop strategy, to set and monitor objectives, and to consider reports and recommendations from the standing committees referred to above.

The standing committees are permitted to make decisions on operational matters within the policies previously agreed by the Trustees; their duties are laid down in the policy and procedures manual. In particular, grants of up to £50,000 may be approved by the relevant committee. Above this threshold, the Trustee Board itself will make decisions as to whether to award a grant, a visit having been undertaken by a Trustee and a Visit Report viewed by the Board.

Committees have the ability to form sub-committees to deal with more detailed matters, and for taking decisions in accordance with delegated authorities agreed by the Trustees. Currently, there are three standing sub-committees, all of which report to the Finance, Investment and General Purposes Committee: Budget, Risk and Audit, and Social Investment.

The duties of these sub-committees reflect their areas of specialism. In particular, the Budget Sub-Committee recommends the annual budget, and undertakes detailed monitoring of the budget throughout the year. The principal duties of the Risk and Audit Sub-Committee are as follows: to determine the nature and scope of the audit, request specific investigations from the auditors from time to time, and consider any issues arising therefrom; to ensure that the assets and funds are accounted for and safeguarded; to ensure that adequate financial controls are maintained; to monitor compliance in all respects; and to review risk exposure and ensure that appropriate steps are taken to mitigate risks. The Social Investment Sub-Committee assesses potential social investment opportunities and monitors the performance of the existing portfolio.

Risk Assessment – Principal Risks and Uncertainties

The major risks to which the Foundation is exposed, as identified by the Trustees, are reviewed on an annual basis, and systems have been established to manage those risks; this process is overseen by the Risk and Audit Sub-Committee. The Risk Register is reviewed and updated, discussed by the Finance, Investment and General Purposes Committee and approved by the Trustees annually.

The Trustees have identified the following principal risks which are assessed as a significant threat to the Foundation:

Reputational risk	• Transparency of strategy in Annual Review and via website. • Ongoing dialogue with stakeholders.
Inadequate financial controls	• Structured committee oversight. • Management processes in place.
Investment portfolio does not exhibit appropriate risk and return attributes	• Structured investment policy. • External investment advice and management. • Diversity, prudence and liquidity criteria. • Regular performance monitoring.
IT systems are inadequate and / or not robust	• Use of service and support contracts. • Security and authorisation procedures.. • Ongoing monitoring of operating environment.

Accordingly, the Foundation has established prudent investment and spending policies. Most of its general income is derived from its listed investment portfolio, or as a donation from The Clothworkers' Company, the latter being ultimately derived from listed and property investments. Subject to reserve requirements, the Foundation's policy is to spend all available income, plus any additional amounts that may be transferred from expendable endowment funds, when considered appropriate.

The Foundation has received a significant annual donation from The Clothworkers' Company for many years. Although there is no absolute assurance that these donations will continue, the Company has confirmed its intention to carry on providing such support, and it is expected that the Company would inform the Foundation in the event of a change in its policy. In 2022 the Company made a special donation of £71.6 million following the completion of a significant property transaction. This consisted of £33.3 million in the form of leasehold property interests, where the Company retains the freehold interest, £14.7 million in the form of listed equity investments and £23.6 million in cash.

The Trustees consider that, since the nature of the Foundation's grantmaking activity involves very little by way of un-accrued future commitments, it is unlikely that any unplanned reduction in funds available for grants would have an impact on beneficiaries to whom commitments have already been made. Furthermore, the maintenance of general reserves allows commitments to be fulfilled in a timely fashion.

Connected Charities and Restricted Funds

Until 2013, The Clothworkers' Foundation was the corporate trustee of three Trusts: The Clothworkers' Charity for Education, The Clothworkers' Charity for Relief in Need and The Clothworkers' Charity for Welfare of the Blind, and of The Clothworkers' Foundation Common Investment Fund (the CFCIF). In that year, with the concurrence of the Charity Commission, the assets of the three Trusts were transferred to the Foundation, to be held as restricted funds of the Foundation going forward, and the CFCIF was liquidated.

The Trustees continue to apply the income and assets contained within the three restricted funds in accordance with the trust deeds of the three liquidated Trusts.

Further information about the transfer and the restricted funds is contained within notes 1(j) and 16.

Related Party Transactions

The Clothworkers' Foundation is a related party of The Clothworkers' Company and its subsidiary company, Ramteazle Limited. The Clothworkers' Company is a City of London Livery Company. Further details of related parties, and any associated transactions, are disclosed in note 18.

The policy of the Foundation, in respect of potential related party transactions involving Trustees, is to avoid any conflicts of interest. Accordingly, when a Trustee has a material interest in any matter being considered by the Foundation, that Trustee does not participate in the decision-making process.

Remuneration of key management personnel

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee, which includes Company Members who are also Trustees of the Foundation and therefore represent the Foundation's interests. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Company and Foundation's objectives.

FINANCIAL REVIEW AND PERFORMANCE

Investment Policy

The Foundation seeks to maximise the total return on its portfolio, within the constraints imposed by the need to control risk.

The assets of the Foundation (incorporating those of the three liquidated Trusts) are allocated in accordance with the results of an investment strategy review, conducted in 2016, and implemented in 2017. A further review was undertaken in 2022, and implementation is anticipated to begin in 2023. The adopted asset allocation seeks to achieve diversification and hence enhance risk control, and encompasses UK equities, overseas equities, emerging market equities and fixed interest. The one direct property holding has now been enhanced by the two leasehold interests donated by The Clothworkers' Company in December 2022. The equities allocation is managed in conjunction with our investment manager and held in the form of unitised investments.

The primary strategic long-term investment objective is the requirement that the overall investment portfolio should perform in accordance with the FTSE All-Share Index. In addition, there is a secondary objective that the portfolio should maintain its value in real terms over time, as measured by the Retail Price Index.

The Foundation uses the income arising from the portfolio in furtherance of its charitable objectives, and of those of its restricted funds. It also considers the capital return earned on its portfolio, and any further endowment donations received, and is prepared to utilise some of its expendable endowment to support current grantmaking, if it is considered appropriate to do so.

Funds of the Foundation and Reserves Policy

The net assets of the Foundation are divided between 'restricted funds' and 'unrestricted funds' as set out below:

- Restricted Funds

  Permanent Endowment Fund: this fund totals £60.97 million (2021: £65.82 million) and represents donations received which were subject to a condition requiring their permanent retention as an endowment. Income arising is credited to the General Fund.

  Expendable Endowment Fund: this fund totals £107.55 million (2021: £38.67 million) and represents donations received which were subject to a condition requiring their retention as an endowment, but allowing the Trustees to spend the fund in accordance with the Foundation's objects, if they so decide. Income arising is credited to the General Fund.

Members' Endowment Fund: this fund totals £0.35 million (2021: £0.36million) and represents donations received from members of The Clothworkers' Company, which were subject to a condition requiring their retention as an endowment. Income arising is credited to the Clothworkers' Charity Fund (previously Livery Fund).

Social Investment Fund: this fund totals £1.75 million (2021: £1.75 million), and was established during 2017, following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation during 2018, and these funds were subsequently committed or allocated. During 2021, the Trustees agreed a transfer of £1 million from the Expendable Endowment Fund to the Social Investment Fund, which has now been committed in full. (see section above).

Other restricted funds: there are three further restricted funds, totaling £51.90 million (2021: £56.10 million), which represent the capital of three Trust funds transferred to the Foundation in 2013 (see above). The income arising on these three funds is used to fund grants which correspond with the objects of the three Trust funds; however, the capital is currently retained to act as an endowment.

- Unrestricted Funds

Designated Capital Fund: this fund totals £94.28 million (2021: £101.78 million) and was established in 1996 to represent the capital of the Foundation at that time (see Note 1(k)), and to act as a fund to generate income for the benefit of future beneficiaries. It is the intention of the Trustees to continue to maintain this fund going forward, although income arising is credited to the General Fund.

Clothworkers' Charity Fund: this Fund was established in 2005 as the 'Livery Fund', to receive donations from members of the Livery of The Clothworkers' Company; it was renamed during 2019, partly to reflect that non-Livery (therefore, Freedom) members might also choose to donate. All such donations (other than those credited to the Members' Endowment Fund – see above) are used to fund grants to charities selected by the Clothworkers' Charity Fund Committee of the Foundation. The balance at 31 December 2022 was £14,889 (2021: £18,840).

Designated Proactive Grants Fund (DPGF): this fund was created in 2019. All commitments made under the various proactive grants programmes are debited to the fund. Each year, a fixed amount of income is transferred from the General Fund (see below), the amount being set at a level which represents the expected long-term average annual commitment to proactive grants. Consequently, over the long-term, it is expected that total income credited to the DPGF will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund. In 2022, the Trustees agreed a transfer of £0.5 million from the General Fund, from which grants amounting to £0.3 million were committed. The balance at 31 December 2022 was £0.2 million (2021: nil).

General Fund: this fund is credited with all income arising, excepting amounts credited to the Clothworkers' Charity Fund, or restricted funds, as set out above. It is the intention of the Trustees to distribute all such income each year, subject only to the agreed general reserves policy, as described below.

- General Reserves Policy: during 2022, the Trustees reviewed the level of the General Fund. The previous policy was for the balance on the Fund to be set at the level of 15% (+/- 2%) of anticipated (General Fund) income for the year. After due consideration, the Trustees decided that it was appropriate to set the size of the General Fund at 7.5% (+ / - 2%) of grant commitments, in order to allow the Foundation to fulfil its commitments in a timely fashion.

At 1 January 2022, the balance on the General Fund totalled £0.79 million which was equivalent to 21% of total (General Fund) income, as explained above; during 2022, the balance on the General Fund decreased to £0.64 million which was equivalent to 8.6% of total grants commitments.

Income

Total income in 2022 was £80.07 million (2021: £11.64 million), of which £74.60 million (2021: £6.90 million) was a donation from The Clothworkers' Company and subsidiary companies. £33.27 million was in the form of leasehold property interests, where the Company retains the freehold interest, £14.7 million was in the form of listed equity investments, and the remainder in cash. Other donations totalled £0.07 million (2021: £0.07 million).

The remaining income of £5.40 million (2021: £4.67 million) was derived from investment assets, or cash holdings.

Of the donation provided by The Clothworkers' Company, £71.93 million (2021: £4.09 million) was subject to a restriction that it be used as an expendable endowment (see note 1(g)).

Expenditure

Grants to charitable organisations totalling £7.49 million (2021: £7.11 million) were committed during the year (see note 6), which included the recommitment of cancelled and returned grants accrued in earlier years, totalling £0.01 million (2021: £0.01 million). Details of grants made, in excess of £25,000, are published in the Annual Review, and on the Foundation's website (www.clothworkersfoundation.org.uk).

Total expenditure during the year, excluding grants, was £1.30 million (2021: £1.00 million), of which expenditure on raising funds totalled £0.34 million (2021: £0.20 million).

Investment Performance

The disposition of assets is shown below:

	2022 %	2021 %
UK equity units	31	33
Overseas equity units	28	34
Emerging markets units	9	8
Fixed interest units	3	5
Commodities units	-	2
Direct freehold property	27	17
Uninvested cash	2	1
	100	100

Over the course of 2022, after allowing for new funds received, the Foundation's investment assets (excluding property) earned a total return of -5.3% (2021: 16.7%). The FTSE All-Share Index, against which the Fund benchmarks itself, decreased by 5.6% (2021: 17.8%), whilst RPI increased by 13.5% (2021: 7.5%).

AUDITORS

Saffery Champness LLP were appointed during the period and have signified their willingness to continue in office as auditors.

The Trustees' Report, which includes the Directors' Report and Strategic Report for the purposes of company law, was approved by the Board of Trustees on 28th June 2023 and signed on their behalf by:

Dr Lucy Rawson
Chair

Clothworkers' Hall
Dunster Court
Mincing Lane
London EC3R 7AH

28th June 2023

Opinion

We have audited the financial statements of The Clothworkers' Foundation for the year-ended 31 December 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement 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 charitable company's state of affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 charitable company'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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 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 auditor's 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 charitable company'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 charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, 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 charitable company'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 charitable company'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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

24 July 2023

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

	Notes	Unrestricted Funds (note 14)		Restricted Funds (notes 15, 16)		Total	Total
		Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Social Investment, and Other (note 1i, 1j)		
		2022	2022	2022	2022	2022	2021
		£	£	£	£	£	£
INCOME from:							
Donations	2	2,724,153	-	71,943,850	-	74,668,003	6,973,415
Rental income		1,573	-	-	427	2,000	2,000
Investment income	3	4,187,950	-	-	1,135,853	5,323,803	4,662,568
Deposit interest and other income		78,433	-	-	-	78,433	4,886
Total Income		6,992,109	-	71,943,850	1,136,280	80,072,239	11,642,869
EXPENDITURE on:							
Raising funds	5	(10,047)	(126,107)	(129,947)	(69,383)	(335,484)	(202,407)
Charitable activities							
Grants to charitable organisations	7	(6,177,085)	-	-	(1,214,060)	(7,391,145)	(6,985,005)
Support costs	8	(960,629)	-	-	-	(960,629)	(800,812)
Costs of grant-making		(7,137,714)	-	-	(1,214,060)	(8,351,774)	(7,785,817)
Total Expenditure		(7,147,761)	(126,107)	(129,947)	(1,283,443)	(8,687,258)	(7,988,224)
Operating (deficit)/surplus		(155,652)	(126,107)	71,813,903	(147,163)	71,384,981	3,654,645
Transfers	6	196,409	-	(196,409)	-	-	-
Gains /(losses) on investments:							
- realised	9	-	37,144	38,274	20,437	95,855	-
- unrealised	9	-	(7,405,657)	(7,631,170)	(4,074,544)	(19,111,371)	28,931,012
Net (expenditure)/income		40,757	(7,494,620)	64,024,598	(4,201,270)	52,369,465	32,585,657
Fund balances brought forward at 1 January		813,854	101,778,114	104,846,836	57,848,134	265,286,938	232,701,281
Fund balances carried forward at 31 December		854,611	94,283,494	168,871,434	53,646,864	317,656,403	265,286,938

The Statement of Financial Activities incorporates the Statement of Income.
All income and expenditure is derived from continuing operations.

The notes on pages 21 to 35 form part of these accounts.

	2022 £	2021 £
Total income of continuing operations	80,072,239	11,642,869
Total expenditure of continuing operations	(8,605,703)	(7,939,605)
Total net (losses) / gains on investments	(14,250,228)	21,646,183
Net income for the year	57,216,308	25,349,447

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 17 which, together with the notes to the accounts on pages 21 to 35, provides full information on the movements during the year of all the funds of the Foundation.

Company No. 1321952

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Investments at market value:					
Listed investments	9		207,923,674		214,884,807
Investment property	9		77,200,000		46,300,000
Uninvested cash	12		6,276,591		1,424,574
			291,400,265		262,609,381
Social investments	10		1,511,786		1,473,250
CURRENT ASSETS					
Debtors	11	333,378		10,131	
Cash at bank and on deposit	12	33,173,961		8,356,952	
		33,507,339		8,367,083	
CREDITORS					
Amounts falling due within one year	13	(8,488,987)		(6,797,476)	
NET CURRENT ASSETS			25,018,352		1,569,607
CREDITORS					
Amounts falling due after more than one year	13		(274,000)		(365,300)
NET ASSETS	18		317,656,403		265,286,938
RESTRICTED FUNDS					
Permanent Endowment Fund	1(f), 16, 18		60,969,560		65,816,403
Expendable Endowment Fund	1(g), 16, 18		107,553,980		38,673,874
Members' Endowment Fund	1(h), 16, 18		347,894		356,559
Social Investment Fund	1(i), 17, 18		1,750,041		1,749,000
Other restricted funds	1(j), 17, 18		51,896,823		56,099,134
UNRESTRICTED FUNDS					
Designated Capital Fund	1(k), 15, 18		94,283,494		101,778,114
Clothworkers' Charity Fund	1(l), 15, 18		14,889		18,840
Designated Proactive Grants Fund	1(m), 15, 18		200,000		-
General Fund	1(n), 15, 18		639,722		795,014
TOTAL FUNDS			317,656,403		265,286,938

The notes on pages 21 to 35 form part of these accounts.

The financial statements were approved by the Board of Trustees and authorised for issue on 28th June 2023 and are signed on their behalf by:

.....
Dr Lucy Rawson
Chair of The Clothworkers' Foundation

.....
Denis Clough
Chair of the Finance, Investment and General Purposes Committee

	Notes	2022 £	2022 £	2021 £	2021 £
Net cash outflow from operating activities	14		(4,350,123)		(5,061,816)
Cash flows from investing activities					
Investment income receipts		4,987,785		4,480,190	
Rental and interest income		80,433		6,886	
Purchases of investments		(9,302,071)		(1,273,250)	
Sales of investments		14,308,893		-	
Net cash inflow from investing activities			10,075,040		3,213,826
Cash flows from financing activities					
Endowment donations received		23,944,109		4,112,818	
Increase in cash awaiting investment		(4,852,017)		(1,361,405)	
Net cash inflow from financing activities			19,092,092		2,751,413
Increase in cash and cash equivalents			24,817,009		903,423

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Managed funds £	Cash at bank £	Total £
At 1 January 2021	942,252	6,511,277	7,453,529
Net cash (outflow)/inflow	2,758,424	(1,855,001)	903,423
At 31 December 2021	3,700,676	4,656,276	8,356,952
Net cash inflow/(outflow)	2,790,801	22,026,208	24,817,009
At 31 December 2022	6,491,477	26,682,484	33,173,961

1. ACCOUNTING POLICIES

The Clothworkers' Foundation is a charity registered with the Charity Commission (registration number: 274100) and a company limited by guarantee (registration number: 1321952) in England and Wales. The registered office and principal address is Clothworkers' Hall, Dunster Court, Mincing Lane, London EC3R 7AH.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and the applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis and the Foundation meets the definition of a public entity under FRS 102.

The principal accounting policies adopted are described below and are consistent with previous years.

(b) Investments

Investments are stated at market value and consist of units in listed investment funds, a freehold property, two leasehold properties and cash awaiting investment. Gains and losses on the sale and revaluation of investments are shown in the Statement of Financial Activities.

(c) Social investments

Social investments comprise concessionary loans and mixed motive investments. Where the investment is a concessionary loan, the carrying value of the loan reflects the original loan value net of any repayments or provisions for amounts not expected to be recovered. Mixed motive investments are initially measured at the transaction price of the investment and subsequently at their fair value where this can be measured reliably. Where this is not possible, they are measured at cost less impairment. Any movements on mixed motive investments are included as gains or losses on financial investments within the Statement of Financial Activities.

(d) Income

Donations are accounted for when they become receivable. Investment income is recognised when it becomes 'ex-dividend'. Rental income, and deposit interest, are recognised according to the period to which it relates.

(e) Costs of generating funds

These are the costs of managing listed, property and cash investments. Investment management fees suffered within fund investments are grossed up, based on the fee rate applied to market value.

(f) Grants to charitable organisations

Grants are accounted for in the year in which a binding obligation arises. This includes grants payable in a future year where any relevant conditions have been fulfilled by the balance sheet date, or are dependent on an external event over which the Foundation has no control.

(g) Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An

1. ACCOUNTING POLICIES (continued)

appropriate proportion of the costs of generating income is charged to this Fund. Also included within this Fund is the capital transferred from the Charity of Margaret Holligrave in 2004 (see note 16).

(h) Expendable Endowment Fund

The expendable endowment has been received by way of donations over a number of years subject to a condition that capital could be retained or distributed as the Trustees determined. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund.

(i) Members' Endowment Fund

At 1 January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts, and donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation. Subsequent endowment donations from such members have also been credited to this Fund; investment income arising from its assets is credited to the Clothworkers' Charity Fund. An appropriate proportion of the costs of generating income is also charged to the Members' Endowment Fund.

(j) Social Investment Fund

The Social Investment Fund was established in 2017, to which are credited donations received subject to a restriction that they be applied to social investment (see note 17).

(k) Other restricted funds

Three restricted funds relate to three previous Trusts which formerly existed as separate charities.

During 2013, the Foundation applied to The Charity Commission for permission to pay the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities (see note 17).

(l) Designated Capital Fund

The Designated Capital Fund was set aside in 1996 out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The Fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the Fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. Income arising from the Fund is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Designated Capital Fund.

(m) Clothworkers' Charity Fund (previously Livery Fund)

The Livery Fund was established in 2005; it was renamed as the Clothworkers' Charity Fund (CCF) in 2019.

The CCF is made up of regular donations from the membership of The Clothworkers' Company, which are matched by donations from the Company itself. Investment income arising on the Members' Endowment Fund is also credited to the CCF (see note 15).

1. ACCOUNTING POLICIES (continued)

The income of the Fund is distributed annually; distributions are recommended by the Clothworkers' Charity Fund Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year. In the event of a deficit arising on the Fund, a compensating transfer is made from the General Fund.

(n) Designated Proactive Grants Fund (DPGF)

The DPGF was established during 2019, in order to provide greater clarity in the reporting of the Proactive grants programme.

A transfer is made to the DPGF each year based upon the average amount to be allocated to proactive grants; this transfer is paid from the General Fund, or restricted finds, as appropriate.

Proactive grant commitments are charged to the DPGF; it is planned that these will match the transfers received, taking one year with another. If a deficit arises on the DPGF in a particular year, this is offset in full by a temporary loan from the Expendable Endowment Fund.

(o) General Fund

With the exception of restricted donations, and investment income allocated to the Clothworkers' Charity Fund and restricted funds, all income arising is credited to the General Fund. Expenditure on support costs and governance is charged to the General Fund. When budgets are set, the level of grants is determined with reference to the agreed reserves policy.

(p) Significant accounting judgments and estimates

The preparation of the financial statements in accordance with FRS 102 requires management to exercise judgement in applying the Foundation's accounting policies. The areas where the Foundation considers the judgements to be the most significant involve assumptions or estimates in respect of future events where actual results may differ from these estimates. The estimate of the valuation of investment properties is considered significant (see note 9).

2. DONATIONS

	Unrestricted Funds		Restricted Funds			
	General Fund	Clothworkers' Charity Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL	TOTAL
	2022	2022	2022	2022	2022	2021
	£	£	£	£	£	£
The Clothworkers' Company	2,493,559	58,797	9,206	71,925,438	74,487,000	6,794,000
Ramteazle Limited	113,000	-	-	-	113,000	106,000
Member donations	-	58,797	9,206	-	68,003	64,415
Other donations	-	-	-	-	-	9,000
	2,606,559	117,594	18,412	71,925,438	74,668,003	6,973,415

Member donations are received from members of the Livery of The Clothworkers' Company, including Gift Aid recoveries, and are credited to the Clothworkers' Charity Fund, or Members' Endowment Fund, in accordance with each member's wishes.

3. INVESTMENT INCOME

Investment income arises from units held in various listed investment funds; these funds are invested in UK equities, overseas equities, fixed interest funds, and a commodities fund.

4. OPERATING LEASES

The Foundation acts as a lessor in connection with operating leases and continues to recognise the assets subject to the operating lease as assets on its balance sheet. The lease amounts received from the lessees are recognised in the Statement of Financial Activities on a receivable basis. The leases relate to the rental of property. The future minimum lease receipts arising from non-cancellable operating leases are shown below.

The amounts due to the Foundation fall due as follows:

	2022 £	2021 £
Within one year	806,000	2,000
Between two and five years	3,223,000	8,000
After five years	28,140,000	1,000
	32,169,000	11,000

5. COSTS OF GENERATING FUNDS

The cost of generating funds consists of listed investment management fees and investment property management costs; these are charged to the Designated Capital Fund (see note 15), the endowment Funds (see note 16), and some restricted Funds (see note 17) in proportion to the investment holdings of each fund.

Some additional fees are also incurred in respect of the Foundation's cash management service; these are charged to income (General Fund – see note 15).

6. TRANSFERS

The following transfers were made during the year:

	Expendable Endowment Fund	General Fund	Designated Proactive Grants Fund (DPGF)	Social Investment Fund	TOTAL
	£	£	£		£
Funding for Proactive Grants programme	-	(500,000)	500,000	-	-
Allocate to current year	(196,409)	196,409	-	-	-
	(196,409)	(303,591)	500,000	-	-

6. TRANSFERS (continued)

- The Trustees agreed to make a transfer from the Expendable Endowment Fund to the Designated Proactive Grants Fund to fund two specific commitments made under the Proactive Grants programme.

- The Trustees decided to transfer £196,409 (2021: £886,513) from the Expendable Endowment Fund to the General Fund in order to supplement income from the listed investment portfolio, and to facilitate a higher level of grant-making.

7. CHARITABLE GRANTS

	2022 £	2021 £
Proactive programmes:		
Better Futures	50,000	-
Care Leavers	250,000	-
	300,000	-
Alcohol and Substance Misuse	206,100	125,032
Domestic and Sexual Abuse	427,150	810,959
Homelessness	381,300	694,310
Minority Communities	1,595,980	1,064,514
Older People	514,310	282,893
People with Disabilities	1,585,000	1,540,892
Prisoners and Ex-Offenders	69,000	157,861
Visual Impairment	112,400	268,923
Young People	2,031,300	1,735,078
Other	268,520	426,133
Total grant commitments	7,491,060	7,106,595
Returned /cancelled grants	(99,915)	(121,590)
Total grants	7,391,145	6,985,005

Details of grants made are published in the Foundation's Annual Review which can be downloaded from the Foundation's website (www.clothworkersfoundation.orguk).

Eleven grants accrued in a prior year were returned or cancelled (2021: eight).

All grants were awarded to institutions.

8. SUPPORT COSTS

	2022	2021
	£	£
Administrative services provided by Ramteazle Ltd:		
Staff costs	618,747	502,731
Other costs	286,253	262,269
	905,000	765,000
Direct costs:		
Auditors' remuneration - audit services	13,750	8,925
- non-audit services	-	2,480
Trustees' expenses	-	-
Other governance costs	13,090	11,600
Other support costs	28,789	12,807
	960,629	800,812

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited (a wholly owned subsidiary of The Clothworkers' Company), from which the Foundation purchases administrative services in accordance with its service agreement.

Staff salaries including key management personnel are assessed annually by The Clothworkers' Company's Staff Sub-Committee, which includes Company Members who are also Trustees of the Foundation and therefore represent the Foundation's interests. The Staff Sub-Committee make their assessment based on market benchmarking and prevailing economic conditions, ensuring that staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Company and Foundation's objectives.

The Foundation's share of total remuneration paid to key management personnel provided as part of this service was £152,268 (2021: £166,685).

No Trustee may receive any salary or fees or receive any remuneration or other benefit, other than expenses reimbursed, from the Foundation save as expressly permitted by the Articles of Association. During the year payments to Trustees totalled £175 (2021: £ nil).

9. INVESTMENTS

	2022 £	2021 £
Listed investments		
Carrying value at 1 January	214,884,807	188,253,796
Add: Acquisitions at cost	23,992,562	-
Less: disposals at carrying value (proceeds: £14,303,179)	(14,207,324)	-
Net (loss) / gain on revaluation at 31 December	(16,746,371)	26,631,011
Market value at 31 December	207,923,674	214,884,807
Investment property		
Carrying value at 1 January	46,300,000	44,000,000
Add: Acquisitions at cost	33,265,000	-
Net (loss) / gain on revaluation at 31 December	(2,365,000)	2,300,000
Market value at 31 December	77,200,000	46,300,000
Cash to be invested	6,276,591	1,424,574
Total Investments at Market Value	291,400,265	262,609,381

The investment properties were formally professionally revalued at open market value as at 31 December 2022 and 2021 by Capital Real Estate Partners LLP, Chartered Surveyors. The properties were valued using the investment method of valuation; this means that the passing rent and estimated rental values have been capitalised using investment yields. Purchaser's costs have then been deducted to arrive at a net value.

The valuation of the Foundation's investment portfolio is inherently subjective. It is based on a number of assumptions including, but not limited to, matter such as the underlying tenure and tenancy details for the properties, prevailing market yields and comparable market transactions. As a result the estimated values of the Foundation's investment properties are subject to a degree of uncertainty and are determined on the basis of assumptions which may not prove to be accurate.

10. SOCIAL INVESTMENTS

During 2019 and 2020, commitments of £150,000 and £50,000 were made to the CAF Venturesome Fund, and London Play Design, respectively. Both commitments were fully paid up during 2020.

In 2021 three commitments totalling £1.45 million were made: Refuaid (£200,000, fully paid); Charity Bank (£1million, fully paid); and Women In Safe Homes Fund (£250,000, £73,250 drawn down initially). A further £44,250 was drawn down by the Women In Safe Homes Fund in 2022, and agreed repayments of £5,714 received from London Play Design.

At 31 December 2022, commitments of £132,500 to the Women in Safe Homes Fund remain outstanding (2021: £176,750).

11. DEBTORS

	2022 £	2021 £
Accrued income and prepayments	535	500
Other debtors	332,843	9,631
	333,378	10,131

12. CASH AND DEPOSITS

At 31 December 2022 all money on short-term deposit was held in interest-bearing bank accounts, or in a managed cash fund.

Cash and deposits totalling £33,173,961 (2021: £8,356,952) is reported within current assets, and an additional sum of £6,276,591 (2021: £1,424,574), derived from endowment donations received, is included in fixed assets.

13. CREDITORS

	2022 £	2021 £
Amounts falling due within one year		
Grants commitments unpaid	6,689,726	5,864,795
Other accruals	28,250	30,585
Rent receivable in advance	314,712	500
Other creditors	1,456,299	901,596
	8,488,987	6,797,476
Amounts falling due after more than one year		
Grants commitments unpaid	274,000	365,300

14. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Operating surplus	71,384,981	3,654,645
Investment and property management expenses	335,484	182,379
Donations received into endowed funds	(71,943,850)	(4,112,818)
Investment income receivable	(5,323,803)	(4,662,568)
Rental income receivable	(2,000)	(2,000)
Interest receivable	(78,433)	(4,886)
(Increase)/decrease in debtors	(8,501)	2,640
Increase/(decrease) in creditors	1,285,999	(119,208)
Net cash outflow from operating activities	(4,350,123)	(5,061,816)

15. UNRESTRICTED FUNDS

	General Fund	Clothworkers' Charity Fund	Designated Proactive Grants Fund	Designated Capital Fund	Total
	£	£		£	£
Balance at 1 January 2021	**1,096,435**	**29,682**	**-**	**90,550,204**	**91,676,321**
Donations (see note 2)	2,751,503	109,094	-	-	2,860,597
Rental income	1,569	3	-	-	1,572
Investment income	3,658,251	6,061	-	-	3,664,312
Deposit interest and other income	4,886	-	-	-	4,886
Costs of generating funds	(8,326)	-	-	(75,436)	(83,762)
Support costs	(800,812)	-	-	-	(800,812)
Grants to charitable organisations	(5,995,005)	(126,000)	-	-	(6,121,005)
Transfer from Expendable Endowment Fund	886,513	-	-	-	886,513
Transfer from General Fund	(800,000)	-	800,000	-	-
Reverse loans from Expendable Endowment Fund	-	-	(1,471,820)	-	(1,471,820)
Transfer from Expendable Endowment Fund	-	-	671,820	-	671,820
Realised gains on investments	-	-	-	-	-
Unrealised gains on investments	-	-	-	11,303,346	11,303,346
Balance at 31 December 2021	**795,014**	**18,840**	**-**	**101,778,114**	**102,591,968**
Donations (see note 2)	2,606,559	117,594	-	-	2,724,153
Rental income	1,570	3	-	-	1,573
Investment income	4,180,498	7,452	-	-	4,187,950
Deposit interest and other income	78,433	-	-	-	78,433
Costs of generating funds	(10,047)	-	-	(126,107)	(136,154)
Support costs	(960,629)	-	-	-	(960,629)
Grants to charitable organisations	(5,748,085)	(129,000)	(300,000)	-	(6,177,085)
Transfer from Expendable Endowment Fund	196,409	-	-	-	196,409
Transfer from General Fund	(500,000)	-	500,000	-	-
Reverse loans from Expendable Endowment Fund	-	-	-	-	-
Transfer from Expendable Endowment Fund	-	-	-	-	-
Realised gains on investments	-	-	-	37,144	37,144
Unrealised gains on investments	-	-	-	(7,405,657)	(7,405,657)
Balance at 31 December 2022	**639,722**	**14,889**	**200,000**	**94,283,494**	**95,138,105**

General Fund

All income and costs are credited or debited to the General Fund, excluding those amounts which must be credited or debited to other Funds. All grants are debited to the General Fund unless they are assigned to the Designated Proactive Grants Fund, the Clothworkers' Charity Fund, or other restricted funds.

15. UNRESTRICTED FUNDS (continued)

Clothworkers' Charity Fund

The Clothworkers' Charity Fund is credited with donations from members of The Clothworkers' Company, and matching donations from the Company itself. The Fund is also credited with rental income and investment income derived from the Members' Endowment Fund. Grants debited are determined by the Clothworkers' Charity Fund Committee.

Designated Capital Fund

The Designated Capital Fund was established for the reasons explained in note 1(k). All income arising is credited to the General Fund.

Designated Proactive Grants Fund

The Designated Proactive Grants Fund was established for the reasons explained in note 1(m).

16. ENDOWMENT FUNDS

	Expendable endowment	Permanent endowment – general	Permanent endowment – Margaret Holligrave	Members' endowment	Total
	£	£	£	£	£
Balance at 1 January 2021	**31,583,646**	**48,952,491**	**9,627,702**	**299,462**	**90,463,301**
Donations (see note 2)	4,093,081	-	-	19,737	4,112,818
Repay loans from Designated Proactive Grants Fund	1,471,820	-	-	-	1,471,820
Transfer to Designated Proactive Grants Fund	(671,820)				(671,820)
Transfer to General Fund	(886,513)	-	-	-	(886,513)
Transfer to Social Investment Fund	(1,000,000)				(1,000,000)
Costs of generating funds	(27,436)	(40,625)	(7,994)	(251)	(76,306)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	4,111,096	6,087,085	1,197,744	37,611	11,433,536
Balance at 31 December 2021	**38,673,874**	**54,998,951**	**10,817,452**	**356,559**	**104,846,836**
Donations (see note 2)	71,925,438	-	-	18,412	71,943,850
Repay loans from Designated Proactive Grants Fund	-	-	-	-	-
Transfer to Designated Proactive Grants Fund	-	-	-	-	-
Transfer to General Fund	(196,409)	-	-	-	(196,409)
Transfer to Social Investment Fund	-	-	-	-	-
Costs of generating funds	(47,937)	(68,147)	(13,408)	(455)	(129,947)
Realised losses on investments	14,119	20,072	3,949	134	38,274
Unrealised gains on investments	(2,815,105)	(4,001,921)	(787,388)	(26,756)	(7,631,170)
Balance at 31 December 2022	**107,553,980**	**50,948,955**	**10,020,605**	**347,894**	**168,871,434**

Permanent Endowment Fund

This Fund includes the capital portion of the Charity of Margaret Holligrave which was transferred to the Foundation by a Scheme of the Charity Commission dated 9 March 2004; the value of the capital portion of the Charity at that date was £3,943,763. At 31 December 2022, the portion of the Fund representing the capital of the Charity was valued at £10,020,605 (2021: £10,817,452). The Scheme permitted income arising from the endowment to be distributed for such charitable purposes as the Foundation shall determine. All income arising is credited to the General Fund.

16. ENDOWMENT FUNDS (continued)

Expendable Endowment Fund

Donations have been received from The Clothworkers' Company over a number of years with the express intention that they be treated as an expendable endowment fund. The gifts were made with the instruction that the capital should be used as an endowment but could be distributed should the Trustees decide to do so in the future. All income arising is credited to the General Fund.

Members' Endowment Fund

Donations are received from members of The Clothworkers' Company. Where the member stipulates that the donation should be retained and invested, it is credited to the Members' Endowment Fund. All such donations are matched by The Clothworkers' Company. All income arising is credited to the Clothworkers' Charity Fund.

17. OTHER RESTRICTED FUNDS

	Social Investment £	Education £	Relief in Need £	Welfare of the Blind £	Total £
Balance at 1 January 2021	**750,000**	**9,934,573**	**28,102,008**	**11,775,078**	**50,561,659**
Rental income	-	85	242	101	428
Investment income	-	199,092	563,238	235,926	998,256
Transfer from Expendable Endowment Fund	1,000,000	-	-	-	1,000,000
Costs of generating funds	(1,000)	(8,245)	(23,324)	(9,770)	(42,339)
Grants to charitable organisations	-	(179,000)	(486,100)	(198,900)	(864,000)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	-	1,235,354	3,494,867	1,463,909	6,194,130
Balance at 31 December 2021	**1,749,000**	**11,181,859**	**31,650,931**	**13,266,344**	**57,848,134**
Rental income	-	85	241	101	427
Investment income	1,041	226,217	640,328	268,267	1,135,853
Transfer from Expendable Endowment Fund	-	-	-	-	-
Costs of generating funds	-	(13,831)	(39,150)	(16,402)	(69,383)
Grants to charitable organisations	-	(240,000)	(679,660)	(294,400)	(1,214,060)
Realised losses on investments	-	4,074	11,532	4,831	20,437
Unrealised gains on investments	-	(812,233)	(2,299,098)	(963,213)	(4,074,544)
Balance at 31 December 2022	**1,750,041**	**10,346,171**	**29,285,124**	**12,265,528**	**53,646,864**

Social Investment Fund

This Fund was established in 2017; total initial donations of £750,000 were received from The Clothworkers' Company. During 2021, the Trustees agreed a transfer of £1,000,000 into the Fund, sourced from the Expendable Endowment Fund.

17. OTHER RESTRICTED FUNDS (continued)

Education – Relief in Need – Welfare of the Blind

These funds relate to resources transferred from three Trusts in 2013, plus subsequent net income and investment gains and losses (see note 1(j)). Investment management costs are charged against each Fund, but other running costs are met by the General Fund of the Foundation.

Grants are made in accordance with the objects of the original charities, as set out below. Where the objects of a Fund require that preference is given to a particular constituency when applying a proportion of the income, the Trustees give precedence to such appeals when considering applications.

Education:

The income is used to advance the education of the public, with preference in respect of 75% of the income being given to persons under age 25 who live in, or attend educational establishments in, or whose parents live in, Greater London.

Relief in Need:

A minimum of 92.5% of the income is used to relieve hardship, subject to the following preferences:

(i) 4% to people who reside in the London Boroughs of Islington and Camden; then to people who reside in neighbouring boroughs and then to people who reside in Greater London;

(ii) 3% to people who reside in Greater London, then to people who live in neighbouring counties; and then to people who reside in the remainder of the UK.

Welfare of the Blind:

A minimum of two-thirds of the income is used to relieve hardship of people in the UK who are visually impaired.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Endowment funds (see note 15)	Other restricted funds (see note 16)	Total Funds 2022
	General	Designated Capital	Other			
	£	£	£	£	£	£
Listed investments and freehold property	-	94,283,494	-	138,994,585	51,845,595	285,123,674
Fixed asset cash	-	-	-	6,276,591	-	6,276,591
Social investments at cost	-	-	-	-	1,511,786	1,511,786
Current assets	8,488,809	-	214,889	23,600,258	1,203,383	33,507,339
Current liabilities	(7,575,087)	-	-	-	(913,900)	(8,488,987)
Long term creditors	(274,000)	-	-	-	-	(274,000)
	639,722	94,283,494	214,889	168,871,434	53,646,864	317,656,403

Total funds include revaluation reserves of £67,754,744 (2021: £88,921,558).

19. RELATED PARTY TRANSACTIONS

A majority of the Trustees of The Clothworkers' Foundation are members of the Livery of The Clothworkers' Company, which means that the two organisations are related parties. All transactions were entered into on normal commercial terms.

Transactions concerning related parties were as follows:

	2022 £	2021 £
Amounts received/(paid)		
Donations:		
The Clothworkers' Company	74,487,000	6,794,000
Ramteazle Limited	113,000	106,000
Administrative service charges:		
Ramteazle Limited	(905,000)	(765,000)
Debtors/(creditors)		
The Clothworkers' Company	312,694	(1,518)
Ramteazle Limited	(1,454,778)	(900,077)

Ramteazle Limited is a wholly owned subsidiary of The Clothworkers' Company.

There were no potential conflicts of interest involving Trustees.

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds (note 14)		Restricted Funds (notes 15, 16)		Total
		Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Social Investment, and Other (note 1i, 1j)	
		2021	2021	2021	2021	2021
		£	£	£	£	£
INCOME from:						
Donations	2	2,860,597	-	4,112,818	-	6,973,415
Rental income		1,572	-	-	428	2,000
Investment income	3	3,664,312	-	-	998,256	4,662,568
Deposit interest and other income		4,886	-	-	-	4,886
Total Income		6,531,367	-	4,112,818	998,684	11,642,869
EXPENDITURE on:						
Raising funds	4	(8,326)	(75,436)	(76,306)	(42,339)	(202,407)
Charitable activities						
Grants to charitable organisations	6	(6,121,005)	-	-	(864,000)	(6,985,005)
Support costs	7	(800,812)	-	-	-	(800,812)
Costs of grant-making		(6,921,817)	-	-	(864,000)	(7,785,817)
Total Expenditure		(6,930,143)	(75,436)	(76,306)	(906,339)	(7,988,224)
Operating (deficit)/surplus		(398,776)	(75,436)	4,036,512	92,345	3,654,645
Transfers	5	86,513	-	(1,086,513)	1,000,000	-
Gains /(losses) on investments:						
- realised	8	-	-	-	-	-
- unrealised	8	-	11,303,346	11,433,536	6,194,130	28,931,012
Net (expenditure)/income		(312,263)	11,227,910	14,383,535	7,286,475	32,585,657
Fund balances brought forward at 1 January		1,126,117	90,550,204	90,463,301	50,561,659	232,701,281
Fund balances carried forward at 31 December		813,854	101,778,114	104,846,836	57,848,134	265,286,938

THE CLOTHWORKERS' FOUNDATION

England & Wales - Charity number 274100

Accounts

Company No. 1321952
Charity Commission Registration Number 274100

THE CLOTHWORKERS' FOUNDATION

THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Haysmacintyre LLP

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TRUSTEES AND PROFESSIONAL ADVISERS

TRUSTEES	Lucy Rawson (Chair) Andrew Blessley Denis Clough Chloe Holness *[appointed 12 February 2021]* Nicholas Horne *[resigned 6 January 2021]* Charlie Hutchins Emma Ingham Clark Michael Jarvis Susanna O'Leary Alex Nelson *[resigned 28 July 2021]* Ola Opoosun *[appointed 12 February 2021]* Neel Patani Dhruv Patel [*appointed 30 June 2021*] Philip Portal Oonagh Smyth *[12 February 2021 to 22 October 2021]* Tom Stoddart-Scott Hanif Virji
CHIEF EXECUTIVE	Jocelyn Stuart-Grumbar
REGISTERED OFFICE AND PRINCIPAL ADDRESS	Clothworkers' Hall Dunster Court Mincing Lane London EC3R 7AH
AUDITOR	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
BANKERS	Bank of Scotland London Chief Office Old Broad Street London EC3M 5AN
INVESTMENT MANAGERS	Blackrock Advisors (UK) Murray House 1 Royal Mint Street London EC3N 4HH Gresham Investment Management 67 Irving Place 12th Floor New York NY 10003
WEBSITE	www.foundation.clothworkers.co.uk
CHARITY COMISSION REGISTRATION NUMBER	274100
COMPANY REGISTRATION NUMBER	1321952

REPORT OF THE TRUSTEES

The Trustees present their Report and the financial statements of the Foundation for the year ended 31 December 2021; these have been prepared in accordance with the provisions of the Statement of Recommended Practice (FRS102), *Accounting and Reporting by Charities*, issued in 2015, Second Edition, effective 1 January 2019 (the "SORP"). The information on the preceding pages forms part of this report. This report also includes the information required in a Directors' Report and a Strategic Report for the purposes of company law.

COVID-19 PANDEMIC

The emergence of the Covid-19 virus, and subsequent pandemic, in early 2020, had a significant effect on the Foundation. Initially, investment asset valuations were reduced, but have since recovered. However, there has been a more sustained impact on income, which has been adversely affected in both 2020 and 2021, although the position is steadily improving.

Nevertheless, the Foundation's substantial asset base has meant that it has been able to withstand these effects, and even increase support for beneficiaries. Initially, in 2020, the Trustees allocated additional resources, sourced from expendable endowment funds, to augment the Foundation's ability to provide essential relief and support. This allowed additional grants commitments of £2.46 million to be made in 2020, and a further sum of £0.65 million has been committed in 2021.

HISTORY, OBJECTIVES, ACHIEVEMENTS AND PUBLIC BENEFIT

History

The Clothworkers' Foundation was incorporated in 1977 as a company limited by guarantee; it is a registered charity.

In over 40 years of activity, grants in excess of £158 million have been made by the Foundation and subsidiary trusts, to charitable organisations and individuals.

Objects

The objects of the charity are the advancement of such charitable purposes as the Foundation shall from time to time determine.

Aims and Strategies

Main and Small Grants Programmes

The Clothworkers' Foundation aims, through its funding, to provide public benefit by improving the lives of people and communities, particularly those that face disadvantage.

It aims to achieve this through two open grants programmes which fund a range of capital projects that meet its eligibility criteria, and which fall within one or more of its specified programme areas.

Regular Grants Programme

This programme is the Foundation's portfolio of annual grants to a small number of selected charities with which it wishes to maintain an ongoing relationship. It is not an open grants programme.

Proactive Grants Programme

Launched in 2007 and currently featuring five initiatives, the Proactive Grants Programme is not open to funding enquiries or applications. Initiatives are developed following extensive research and consultation with organisations working in the selected sectors.

Social Investment

The Foundation has established a programme of social investment, initially funded by restricted donations received from The Clothworkers' Company. The latest investment, which was in Charity Bank, was funded from the Foundation's Expendable Endowment Fund.

Objectives

The objectives of the Foundation are:

- To manage its resources so as to ensure that the budget agreed for charitable grants may be distributed.
- To stimulate a flow of good quality eligible applications for funds that meet its criteria, by setting application guidelines with sufficient clarity to avoid charities wasting valuable resources in preparing submissions that are ineligible.
- To undertake an objective assessment of all applications for grants, appropriate to the scale of support contemplated.
- For the proactive programme, to develop sufficient understanding of the selected areas to allow it to identify particular activities to support and organisations with which to work.
- To maximise public benefit by distributing its income in the most effective way possible.
- To monitor the impact of the grants on the people and communities it seeks to help.
- To identify suitable initiatives for social investment.

Grantmaking Policy

The Foundation is a predominantly reactive capital funder for charities and projects meeting its published eligibility criteria. It undertakes a strategic grantmaking review approximately every five years, most recently in 2016. Due to delays caused by the Covid-19 pandemic, our next grantmaking review will commence in 2022. The review will also include a strategy for the Foundation's future social investment plans.

The Foundation's current grantmaking activities are as follows:

- An open main grants programme funding capital projects of charities in one or more of the following nine programme areas: alcohol and substance misuse, people with disabilities, disadvantaged minority communities, disadvantaged young people, domestic and sexual abuse, homelessness, older people, prisoners and ex-offenders, and visual impairment. Only charities with an annual operating income of less than £15 million are eligible to apply.
- An open small grants programme awarding grants of up to £10,000 (or up to £15,000 towards vehicles) in the above areas to charities with annual income of less than £2 million.
- A regular grants programme through which a limited number of charities selected by the Foundation receive grants every year, subject to regular review.
- A proactive grants programme, established in 2007, which currently includes four initiatives: Dramatic Arts II, Better Futures II, Visual Impairment in Developing Countries, and a Care Leavers initiative.
- A response to the Covid-19 pandemic. The second phase of our funding response to the pandemic continued into 2021. It involved strategic grants to, and initiatives with, organisations supporting communities experiencing racial inequality (CERI) and/or the domestic abuse sector. Some of these were focused on onward grantmaking initiatives (partnering with Comic Relief and ROSA), while others supported the project or core costs of organisations.

Full details of the Foundation's grant-making policy and guidelines are provided on the website (www.clothworkersfoundation.org.uk); they are also published in the Annual Review, a copy of which may be downloaded from the website or obtained from The Clothworkers' Foundation, Clothworkers' Hall, Dunster Court, Mincing Lane, London EC3R 7AH.

Social Investment Policy

The Foundation seeks to identify initiatives which are suited to a 'social investment' approach; these are regarded as being complementary to existing grantmaking activities, and they fall within the existing programme areas.

The Clothworkers' Company has previously provided total funding of £0.75 million for this programme, and a further £1 million was made available in 2021, sourced from the Foundation's expendable endowment.

Recent Significant Activities and Achievements

Grants totalling £7.11 million, 342 in number (2020: £9.29 million, 655 in number), were committed during the year, across the various programmes. The reduced total value and number of grants when compared to 2020 is due to exceptional grantmaking activities in response to Covid-19 during the first year of the pandemic. Whilst we continued our Covid-19-related grantmaking activities in 2021, these were at a reduced level.

Through these programmes, the Trustees consider that the Foundation provides public benefit by focusing resources in areas of greatest need, and in accordance with its objectives.

Details of grants of £25,000 or more are published in the Annual Review, and case studies on selected projects are featured on the Foundation's website (www.clothworkersfoundation.org.uk). However, a summary of each programme is set out below.

- ***Covid-19 grants programme***

  As noted above, the onset of the Covid-19 pandemic caused a significant increase in need, to which the Trustees responded by allocating additional funds from the Foundation's expendable endowment. In 2021, we made further commitments of £650,000 as part of our Covid-19 funding response.

- ***Open grants programme***

  The majority of non-Covid-19 grant funding was made under the main grants programme, with £4,421,300 being committed during the year to capital projects.

  Further commitments of £1,547,295, were made under the small grants programme, under which grants of up to £10,000 are made to capital projects for smaller charities, increasing to £15,000 in the case of funding for minibuses.

- ***Regular grants programme***

  The Foundation continued to award annual grants to a small number of selected charities under the Regular Grants Programme which does not accept applications. Commitments totalling £362,000 were made during 2021.

- ***Proactive initiatives***

  The budgets for our four active Proactive initiatives have been fully committed in previous years and, in 2021, no grants were made under these initiatives.

  Care Leavers: this is the newest proactive initiative. Its broad aim is to support organisations and projects that help young people leaving the care system to transition successfully to adulthood. A total budget of £1.38 million was allocated, and this was fully committed in 2018 and 2019.

  Its focus was on education, training and employment for care-leavers, as well as standardised professional training for people working with, and for, care-leavers. A final report on the outcomes has been commissioned.

Visual Impairment in Developing Countries: this initiative was launched in 2012, with an initial allocation of £0.375m. Following a tender process, a single grant of £366,000 was awarded to Vision Aid Overseas, for a five-year eye care project in Sierra Leone.

The Trustees subsequently agreed a further allocation of £0.75m over a period of up to five years from 2017. This was committed through a grant of £410,000 to Orbis, in 2017, for a project which will aim to eliminate trachoma in specified regions of Ethiopia, and a further £350,000 grant to Vision Aid Overseas, in 2018, which built on the previous 2012 project. All funds for this initiative have now been committed.

Better Futures II: this initiative was set up in 2013 as a response to the 2011 riots and to the socio-economic climate felt by many to have been a root cause. With an initial £1.25 million allocation, its overarching aim was (and is) to help young people from disadvantaged backgrounds to reach their full potential.

In 2017, nfpSynergy was engaged to undertake an independent external evaluation of *Better Futures*, which found that it had met its objectives. Based both on the nfpSynergy conclusions, and on the Foundation's own internal assessment of the seven projects it had funded, *Better Futures* was extended by three years, from 2019, with a new £1.25 million allocation, and this was fully committed in 2019 and 2020.

Dramatic Arts II: this initiative was initially allocated £1.25 million, over five years, from 2014. It focused on excellence in the dramatic arts, and on mainstream provision. An independent external evaluation was undertaken by Sam-Culture, in 2019. Based on the findings of the evaluation, the Dramatic Arts initiative was extended, with a new £1m allocation, from 2020, and this was fully committed in the same year.

- ***Clothworkers' Charity Fund (previously Livery Fund – see below) programme***

Three grants were also awarded from the Clothworkers' Charity Fund (which does not accept applications), a sub-fund which receives donations from members of The Clothworkers' Company, and which are matched by The Company itself. Commitments in 2021 totalled £126,000.

- ***Social investment activities***

The following investments have been made to date:

2019: - a loan of £150,000 to the CAF Venturesome Development Fund.

2020: - a loan of £50,000 to London Play Design CIC, through the Stepping Stones Finance Facility;
- the approval of an investment of £250,000 in the Women in Safe Housing Fund (finalised in 2021).

2021: - a loan of £200,000 to RefuAid;
- an investment of £1 million in Charity Bank.

- ***Strategic Investment Review***

During 2021, the Trustees have conducted the latest five-yearly strategic review of investment asset allocation, and spending policy, and expect to begin the implementation of agreed changes during 2022.

Future Plans

The Trustees are aware of their responsibility to ensure that the Foundation's charitable support remains focused, and to build on the priorities adopted during periodic reviews of grantmaking policy. Accordingly, during 2022 they plan to:

1. Conduct a strategic review of grantmaking policy.
2. Implement the remainder of the Foundation's Covid-19 proactive work, involving targeted support for the Domestic Abuse sector, and for Communities Experiencing Racial Inequality (CERI).
3. Undertake an analysis of the Foundation's Covid-19 emergency funding response.
4. Explore opportunities for further social investment whilst monitoring current investments.
5. Implement changes in investment policies, resulting from the current strategic investment review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership

The Clothworkers' Company is the sole member of the Foundation.

Recruitment and Induction of Trustees

The Board of Trustees comprises between eight and fifteen individuals who, until 2020, had been drawn exclusively from the Court and Livery of The Company, offering a range of pertinent experience and qualifications. The Company's objective had been for the Foundation to have a board of Trustees which was balanced as to age and skills, capable of formulating the policies and strategies of the Foundation, and able to provide direction to the Chief Executive and staff on the conduct of its affairs

In 2020, the Foundation's newly formed Nominations Committee had initiated the first open recruitment process within the Company's wider membership. Two applicants had been successful and had joined the Board in late 2020. Further to this, the Nominations Committee, on behalf of the Board of Trustees, initiated a search for two independent Trustees (with no prior connection with The Company). The Board now retains, for the first time, two non-Clothworker Trustees, who joined the Board in February 2021.

Trustees are expected to be conversant with their responsibilities. New Trustees have a full induction programme, and all Trustees are alerted to training and CPD opportunities as they arise. A register of training undertaken is maintained.

On their appointment, new Trustees are provided with a detailed induction package, including a copy of the Policy and Procedures Manual (PPM) of the Foundation, which is a compilation of the key regulations, administrative arrangements, and codes of conduct by which the Foundation operates; the PPM is regularly reviewed.

Presentations are regularly made to the Trustees on topical issues by charities operating in key spheres of the Foundation's charitable activity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Clothworkers' Foundation for the purposes of company law) 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).

Company law 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 charitable company, and of the incoming resources and application of resources, including the income and expenditure of the charitable company, 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 contained within 'Accounting and Reporting by Charities – Statement of Recommended Practice' (the SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the charitable company, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Foundation's auditors, and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

Public Benefit

The Trustees confirm that they have paid due regard to the guidance of the Charity Commission in respect of public benefit in reviewing aims and objectives, and in planning future activities, setting grantmaking policies, and awarding grants.

Committees of the Board of Trustees

The Board of Trustees has delegated specific duties to a number of standing, and other, committees which deal with operational matters:

Grants Committee:	For assessment of grant applications under the main programmes
Small Grants Committee:	For assessment of grant applications under the small grants programme
Proactive Grants Committee:	For formulating proposals for new areas of grantmaking under the proactive programme - and for assessing grants to be made in such areas, once determined
Regular Grants Committee:	For assessment of annually recurring grants
Nominations Committee:	For consideration of Board, committee, and key staff appointments
Finance, Investment and General Purposes Committee:	For financial and investment strategy/management and general matters

There is also a Clothworkers' Charity Fund Committee which determines grants to be made from the Clothworkers' Charity Fund.

Decision-making Processes

Trustees' meetings are held four times each year. The business of these meetings is, broadly, to develop strategy, to set and monitor objectives, and to consider reports and recommendations from the standing committees referred to above.

The standing committees are permitted to make decisions on operational matters within the policies previously agreed by the Trustees; their duties are laid down in the policy and procedures manual. In particular, grants of up to £50,000 may be approved by the relevant committee. Above this threshold, the Trustee Board itself will make decisions as to whether to award a grant, a visit having been undertaken by a Trustee and a Visit Report viewed by the Board.

Committees have the ability to form sub-committees to deal with more detailed matters, and for taking decisions in accordance with delegated authorities agreed by the Trustees. Currently, there are three standing sub-committees, all of which report to the Finance, Investment and General Purposes Committee: Budget, Risk and Audit, and Social Investment.

The duties of these sub-committees reflect their areas of specialism. In particular, the Budget Sub-Committee recommends the annual budget, and undertakes detailed monitoring of the budget throughout the year. The principal duties of the Risk and Audit Sub-Committee are as follows: to determine the nature and scope of the audit, request specific investigations from the auditors from time to time, and consider any issues arising therefrom; to ensure that the assets and funds are accounted for and safeguarded; to ensure that adequate financial controls are maintained; to monitor compliance in all respects; and to review risk exposure and ensure that appropriate steps are taken to mitigate risks.

Risk Assessment – Principal Risks and Uncertainties

The major risks to which the Foundation is exposed, as identified by the Trustees, have been reviewed, and systems have been established to manage those risks; this process is overseen by the Risk and Audit Sub-Committee. In particular, risk is an important component of the budgeting process.

Accordingly, the Foundation has established prudent investment and spending policies. Most of its general income is derived from its listed investment portfolio, or as a donation from The Clothworkers' Company, the latter being ultimately derived from listed and property investments. Subject to reserving requirements, the Foundation's policy is to spend all available income, plus any additional amounts that may be transferred from expendable endowment funds, when considered appropriate.

The Foundation has received a significant annual donation from The Clothworkers' Company for many years. Although there is no absolute assurance that these donations will continue, the Company has confirmed its intention to carry on providing such support, and it is expected that the Company would inform the Foundation in the event of a change in its policy.

The Trustees consider that, since the nature of the Foundation's grantmaking activity involves very little by way of un-accrued future commitments, it is unlikely that any unplanned reduction in funds available for grants would have an impact on beneficiaries to whom commitments have already been made. Furthermore, the maintenance of general reserves allows commitments to be fulfilled in a timely fashion.

Connected Charities and Restricted Funds

Until 2013, The Clothworkers' Foundation was the corporate trustee of three Trusts, and of The Clothworkers' Foundation Common Investment Fund (the CFCIF). In that year, with the concurrence of the Charity Commission, the assets of the three Trusts were transferred to the Foundation, to be held as restricted funds of the Foundation going forward, and the CFCIF was liquidated.

The Trustees continue to apply the income and assets contained within the three restricted funds in accordance with the trust deeds of the three liquidated Trusts.

Further information about the transfer and the restricted funds is contained within notes 1(j) and 16.

Related Party Transactions

The Clothworkers' Foundation is a related party of The Clothworkers' Company and its subsidiary companies. The Clothworkers' Company is a City of London Livery Company. Further details of related parties, and any associated transactions, are disclosed in note 18.

The policy of the Foundation, in respect of potential related party transactions involving Trustees, is to avoid any conflicts of interest. Accordingly, when a Trustee has a material interest in any matter being considered by the Foundation, that Trustee does not participate in the decision-making process. Furthermore, where a potential conflict of interest arises such that the conflicted member has the power to significantly alter the policies or decisions of the Foundation, such potential conflicts are disclosed in note 18.

FINANCIAL REVIEW AND PERFORMANCE

Investment Policy

The Foundation seeks to maximise the total return on its portfolio, within the constraints imposed by the need to control risk.

The assets of the Foundation (incorporating those of the three liquidated Trusts) are allocated in accordance with the results of an investment strategy review, conducted in 2016, and implemented in 2017. The adopted asset allocation seeks to achieve diversification and hence enhance risk control, and encompasses UK equities, overseas equities, emerging market equities, fixed interest and commodities; there is also one direct property holding. This allocation is managed in conjunction with two managers and, excepting the direct property investment, the entire portfolio is held in the form of unitised investments.

The primary strategic long-term investment objective is the requirement that the overall investment portfolio should perform in accordance with the FTSE All-Share Index. In addition, there is a secondary objective that the portfolio should maintain its value in real terms over time, as measured by the Retail Price Index.

The Foundation uses the income arising from the portfolio in furtherance of its charitable objectives, and of those of its restricted funds. It also considers the capital return earned on its portfolio, and any further endowment donations received, and is prepared to utilise some of its expendable endowment to support current grantmaking, if it is considered appropriate to do so.

Funds of the Foundation and Reserves Policy

The net assets of the Foundation are divided between 'restricted funds' and 'unrestricted funds' as set out below:

- Restricted Funds

  Permanent Endowment Fund: this fund totals £65.82 million (2020: £58.58 million) and represents donations received which were subject to a condition requiring their permanent retention as an endowment. Income arising is credited to the General Fund.

  Expendable Endowment Fund: this fund totals £38.67 million (2020: £31.58 million) and represents donations received which were subject to a condition requiring their retention as an endowment, but allowing the Trustees to spend the fund in accordance with the Foundation's objects, if they so decide. Income arising is credited to the General Fund.

  Members' Endowment Fund: this fund totals £0.36million (2020: £0.30million) and represents donations received from members of The Clothworkers' Company, which were subject to a condition requiring their retention as an endowment. Income arising is credited to the Clothworkers' Charity Fund (previously Livery Fund).

Social Investment Fund: this fund totals £1.75 million (2020: £0.75 million), and was established during 2017, following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation during 2018, and these funds were subsequently committed or allocated. During 2021, the Trustees agreed a transfer of £1 million from the Expendable Endowment Fund to the Social Investment Fund, which has now been committed in full. (see section above).

Other restricted funds: there are three further restricted funds, totaling £56.10 million (2020: £49.81 million), which represent the capital of three Trust funds transferred to the Foundation in 2013 (see above). The income arising on these three funds is used to fund grants which correspond with the objects of the three Trust funds; however, the capital is currently retained to act as an endowment.

- Unrestricted Funds

Designated Capital Fund: this fund totals £101.78 million (2020: £90.55 million) and was established in 1996 to represent the capital of the Foundation at that time (see Note 1(k)), and to act as a fund to generate income for the benefit of future beneficiaries. It is the intention of the Trustees to continue to maintain this fund going forward, although income arising is credited to the General Fund.

Clothworkers' Charity Fund: this Fund was established in 2005 as the 'Livery Fund', to receive donations from members of the Livery of The Clothworkers' Company; it was renamed during 2019, partly to reflect that non-Livery (therefore, Freedom) members might also choose to donate. All such donations (other than those credited to the Members' Endowment Fund – see above) are used to fund grants to charities selected by the Clothworkers' Charity Fund Committee of the Foundation. The balance, at 31 December 2021, was £18,840 (2020: £29,682).

Designated Proactive Grants Fund (DPGF): this fund was created in 2019. All commitments made under the various proactive grants programmes are debited to the fund. Each year, a fixed amount of income is transferred from the General Fund (see below), the amount being set at a level which represents the expected long-term average annual commitment to proactive grants. Consequently, over the long-term, it is expected that total income credited to the DPGF will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund. Note: in 2021, the Trustees agreed an exceptional transfer from the Expendable Endowment Fund to reset the balance of the DPGF to zero.

General Fund: this fund is credited with all income arising, excepting amounts credited to the Clothworkers' Charity Fund, or restricted funds, as set out above. It is the intention of the Trustees to distribute all such income each year, subject only to the agreed general reserves policy, as described below.

- General Reserves Policy: during 2021, the Trustees reviewed the level of the General Fund. The previous policy was for the balance on the Fund to be set at the level of 15% (+/- 2%) of anticipated (General Fund) income for the year. After due consideration, the Trustees decided that it would be appropriate to continue to maintain the size of the General Fund at this level, in order to allow the Foundation to fulfill its commitments in a timely fashion.

At 1 January 2021, the balance on the General Fund totalled £1.10 million which was equivalent to 21% of total (General Fund) income, as explained above; during 2021, the balance on the General Fund decreased to £0.79 million which was equivalent to 12% of total (General Fund) income.

Income

Total income in 2021 was £11.64 million (2020: £9.29 million), of which £6.90 million (2020: £5.70 million) was a donation from The Clothworkers' Company (or its subsidiary, Ramteazle Ltd); other donations totalled £0.07 million (£0.08 million).

The remaining income of £4.67 million (2020: £3.51 million) was derived from investment assets, or cash holdings.

Of the donation provided by The Clothworkers' Company, £4.09 million (2020: £3.15 million) was subject to a restriction that it be used as an expendable endowment (see note 1(g)). Donations of £0.11 million (2020: £0.12 million) were received into the Clothworkers' Charity Fund (previously Livery Fund - (see note 1(l)), and £0.02 million (2020: £0.03 million) was credited to the Members' Endowment Fund (see note 1 (h)).

Expenditure

Grants to charitable organisations totalling £7.11 million (2020: £9.29 million) were committed during the year (see note 6), which included the recommitment of cancelled and returned grants accrued in earlier years, totalling £0.01 million (2020: £0.01 million). Details of grants made, in excess of £25,000, are published in the Annual Review, and on the Foundation's website (www.clothworkersfoundation.org.uk).

Total expenditure during the year, excluding grants, was £1.00 million (2020: £0.84 million), of which the cost of generating funds totalled £0.20 million (2020: £0.15 million).

Investment Performance

The disposition of assets is shown below:

	2021 %	2020 %
UK equity units	33	32
Overseas equity units	34	32
Emerging markets units	8	9
Fixed interest units	5	6
Commodities units	2	2
Direct freehold property	17	19
Uninvested cash	1	-
	100	100

Over the course of 2021, after allowing for new funds received, the Foundation's investment assets (excluding property) earned a total return of 16.7%. The FTSE All-Share Index, against which the Fund benchmarks itself, increased by 17.8%, whilst RPI increased by 7.5%.

AUDITORS

Haysmacintyre LLP have signified their willingness to continue in office as auditors.

Dr Lucy Rawson
Chair

Clothworkers' Hall
Dunster Court
Mincing Lane
London EC3R 7AH

21 June 2022

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER

Opinion

We have audited the financial statements of The Clothworkers' Foundation for the year-ended 31 December 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 charitable company'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 Trustees' Annual Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report (included within the Trustees' Annual Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 8-9, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 [group or the parent] charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and considered other factors such as income tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Broome (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Chartered Accountants
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

6th July 2022

	Notes	Unrestricted Funds (note 14)		Restricted Funds (notes 15, 16)		Total	Total
		Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Social Investment, and Other (note 1i, 1j)		
		2021	2021	2021	2021	2021	2020
		£	£	£	£	£	£
INCOME							
Donations	2	2,860,597	-	4,112,818	-	6,973,415	5,775,947
Rental income		1,572	-	-	428	2,000	2,000
Investment income	3	3,664,312	-	-	998,256	4,662,568	3,480,623
Deposit interest and other income		4,886	-	-	-	4,886	26,655
Total Income		6,531,367	-	4,112,818	998,684	11,642,869	9,285,225
EXPENDITURE							
Costs of generating funds	4	(8,326)	(75,436)	(76,306)	(42,339)	(202,407)	(154,591)
Charitable activity:							
Grants to charitable organisations	6	(6,121,005)	-	-	(864,000)	(6,985,005)	(9,195,971)
Support costs	7	(800,812)	-	-	-	(800,812)	(687,337)
Costs of grant-making		(6,921,820)	-	-	(864,000)	(7,785,817)	(9,883,308)
Total Expenditure		(6,930,143)	(75,436)	(76,306)	(906,339)	(7,988,224)	(10,037,899)
Operating (deficit)/surplus		(398,776)	(75,436)	4,036,512	92,345	3,654,645	(752,674)
Transfers	5	86,513	-	(1,086,513)	1,000,000	-	-
Gains /(losses) on investments:							
- realised	8	-	-	-	-	-	(1,004,901)
- unrealised	8	-	11,303,346	11,433,536	6,194,130	28,931,012	5,971,869
Net (expenditure)/income		(312,263)	11,227,910	14,383,535	7,286,475	32,585,657	4,214,294
Fund balances brought forward at 1 January		1,126,117	90,550,204	90,463,301	50,561,659	232,701,281	228,486,987
Fund balances carried forward at 31 December		813,854	101,778,114	104,846,836	57,848,134	265,286,938	232,701,281

The Statement of Financial Activities incorporates the Statement of Income.
All income and expenditure is derived from continuing operations.

The notes on pages 20 to 31 form part of these accounts.

	2021 £	2020 £
Total income of continuing operations	7,530,051	6.102,725
Total expenditure of continuing operations	(7,911,918)	(9,977,822)
Net expenditure for the year	(381,867)	(3,875,097)

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 31, provides full information on the movements during the year of all the funds of the Foundation.

THE CLOTHWORKERS' FOUNDATION
YEAR ENDED 31 DECEMBER 2021
STATEMENT OF FINANCIAL POSITION

Company No. 1321952

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Investments at market value:					
Listed investments	8		214,884,807		188,253,796
Freehold property	8		46,300,000		44,000,000
Uninvested cash	11		1,424,574		63,169
			262,609,381		232,316,965
Social investments	9		1,473,250		200,000
CURRENT ASSETS					
Debtors	10	10,131		12,271	
Cash at bank and on deposit	11	8,356,952		7,453,529	
		8,367,083		7,465,800	
CREDITORS					
Amounts falling due within one year	12	(6,797,476)		(6,968,144)	
NET CURRENT ASSETS			1,569,607		497,656
CREDITORS					
Amounts falling due after more than one year	12		(365,300)		(313,340)
NET ASSETS	17		265,286,938		232,701,281
RESTRICTED FUNDS					
Permanent Endowment Fund	1(f), 15, 17		65,816,403		58,580,193
Expendable Endowment Fund	1(g), 15, 17		38,673,874		31,583,646
Members' Endowment Fund	1(h), 15, 17		356,559		299,462
Social Investment Fund	1(i), 16, 17		1,749,000		750,000
Other restricted funds	1(j), 16, 17		56,099,134		49,811,659
UNRESTRICTED FUNDS					
Designated Capital Fund	1(k), 14, 17		101,778,114		90,550,204
Clothworkers' Charity Fund	1(l), 14, 17		18,840		29,682
Designated Proactive Grants Fund	1(m), 14, 17		-		-
General Fund	1(n), 14, 17		795,014		1,096,435
TOTAL FUNDS			265,286,938		232,701,281

The notes on pages 20 to 31 form part of these accounts.

Dr Lucy Rawson	Chair of The Clothworkers' Foundation	21 June 2022
Denis Clough	Chair of the Finance, Investment and General Purposes Committee	21 June 2022

	Notes	2021 £	2021 £	2020 £	2020 £
Net cash (outflow) from operating activities	13		(5,061,816)		(6,099,350)
Cash flows from investing activities					
Investment income receipts		4,480,190		3,328,491	
Rental and interest income		6,886		28,655	
Purchases of investments		(1,273,250)		(11,948,483)	
Sales of investments		-		10,297,058	
Net cash inflow from investing activities			3,213,826		1,705,721
Cash flows from financing activities					
Endowment donations received		4,112,818		3,182,500	
Increase in cash awaiting investment		(1,361,405)		2,542,912	
Net cash inflow from financing activities			2,751,413		5,725,412
Increase in cash and cash equivalents			903,423		1,331,783

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Managed funds £	Cash at bank £	Total £
At 1 January 2020	5,055,102	1,066,644	6,121,746
Net cash (outflow)/inflow	(4,112,850)	5,444,633	1,331,783
At 31 December 2020	942,252	6,511,277	7,453,529
Net cash inflow/(outflow)	2,758,424	(1,855,001)	903,423
At 31 December 2021	3,700,676	4,656,276	8,356,952

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and the applicable accounting standards (FRS 102). The financial statements have been prepared in UK sterling currency and rounded to the nearest £1.

The principal accounting policies adopted are described below and are consistent with previous years.

(b) Investments

Investments are stated at market value and consist of units in listed investment funds, a freehold property, and cash awaiting investment. Gains and losses on the sale and restatement of investments are shown in the Statement of Financial Activities.

(c) Income

Donations are accounted for when they become receivable. Investment income is recognised when it becomes 'ex-dividend'. Rental income, and deposit interest, are recognised according to the period to which it relates.

(d) Costs of generating funds

These are the costs of managing listed, property and cash investments. Investment management fees suffered within fund investments are grossed up, based on the fee rate applied to market value.

(e) Grants to charitable organisations

Grants are accounted for in the year in which a binding obligation arises. Where there is an intention to make a grant which will be payable in a future year, and which is subject to the fulfilment of appropriate terms and conditions, an accrual will not be made unless the conditions have been fulfilled by the balance sheet date, or are dependent on an external event over which the Foundation has no control. However, where all of the conditions have been met, it is the Foundation's policy that such grants are subject to the receipt and review of a satisfactory report before payment can proceed; therefore, no binding obligations will arise in respect of such commitments until the Foundation has confirmed the relevant grant.

Returned and cancelled grants, originally accrued in prior years, are deducted from grant commitments rather than being included within 'incoming resources'.

(f) Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund. Also included within this Fund is the capital transferred from the Charity of Margaret Holligrave in 2004 (see note 15).

(g) Expendable Endowment Fund

The expendable endowment has been received by way of donations over a number of years subject to a condition that capital could be retained or distributed as the Trustees determined. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund.

1. ACCOUNTING POLICIES (continued)

(h) Members' Endowment Fund

At 1 January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts, and donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation. Subsequent endowment donations from such members have also been credited to this Fund; investment income arising from its assets is credited to the Clothworkers' Charity Fund. An appropriate proportion of the costs of generating income is also charged to the Members' Endowment Fund.

(i) Social Investment Fund

The Social Investment Fund was established in 2017, to which are credited donations received subject to a restriction that they be applied to social investment (see note 16).

(j) Other restricted funds

Three restricted funds relate to three previous Trusts which formerly existed as separate charities.

During 2013, the Foundation applied to The Charity Commission for permission to pay the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities (see note 16).

(k) Designated Capital Fund

The Designated Capital Fund was set aside in 1996 out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The Fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the Fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. Income arising from the Fund is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Designated Capital Fund.

(l) Clothworkers' Charity Fund (previously Livery Fund)

The Livery Fund was established in 2005; it was renamed as the Clothworkers' Charity Fund (CCF) in 2019.

The CCF is made up of regular donations from the membership of The Clothworkers' Company, which are matched by donations from the Company itself. Investment income arising on the Members' Endowment Fund is also credited to the CCF (see note 14).

The income of the Fund is distributed annually; distributions are recommended by the Clothworkers' Charity Fund Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year. In the event of a deficit arising on the Fund, a compensating transfer is made from the General Fund.

(m) Designated Proactive Grants Fund (DPGF)

The DPGF was established during 2019, in order to provide greater clarity in the reporting of the Proactive grants programme.

1. ACCOUNTING POLICIES (continued)

A transfer is made to the DPGF each year based upon the average amount to be allocated to proactive grants; this transfer is paid from the General Fund, or restricted finds, as appropriate.

Proactive grant commitments are charged to the DPGF; it is planned that these will match the transfers received, taking one year with another. If a deficit arises on the DPGF in a particular year, this is offset in full by a temporary loan from the Expendable Endowment Fund.

(n) General Fund

With the exception of restricted donations, and investment income allocated to the Clothworkers' Charity Fund and restricted funds, all income arising is credited to the General Fund. Expenditure on support costs and governance is charged to the General Fund. When budgets are set, the level of grants is determined with reference to the agreed reserves policy.

2. DONATIONS

	Unrestricted Funds		Restricted Funds			
	General Fund	Clothworkers' Charity Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL	TOTAL
	2021	2021	2021	2021	2021	2020
	£	£	£	£	£	£
The Clothworkers' Company	2,636,503	54,547	9,869	4,093,081	6,794,000	5,596,000
Ramteazle Limited	106,000	-	-	-	106,000	104,000
Member donations	-	54,547	9,868	-	64,415	75,947
Other donations	9,000	-	-	-	9,000	-
	2,751,503	109,094	19,737	4,093,081	6,973,415	5,775,947

Member donations are received from members of the Livery of The Clothworkers' Company, including Gift Aid recoveries, and are credited to the Clothworkers' Charity Fund, or Members' Endowment Fund, in accordance with each member's wishes.

3. INVESTMENT INCOME

Investment income arises from units held in various listed investment funds; these funds are invested in UK equities, overseas equities, fixed interest funds, and a commodities fund.

4. COSTS OF GENERATING FUNDS

The cost of generating funds consists of listed investment management fees and investment property management costs; these are charged to the Designated Capital Fund (see note 14), the endowment Funds (see note 15), and some restricted Funds (see note 16) in proportion to the investment holdings of each fund.

Some additional fees are also incurred in respect of the Foundation's cash management service; these are charged to income (General Fund – see note 14).

5. TRANSFERS

The following transfers were made during the year:

	Expendable Endowment Fund	General Fund	Designated Proactive Grants Fund (DPGF)	Social Investment Fund	TOTAL
	£	£	£		£
Funding for Proactive Grants programme	-	(800,000)	800,000	-	-
Reversal of previous temporary transfers	1,471,820	-	(1,471,820)	-	-
To reset DPGF balance at zero	(671,820)	-	671,820	-	-
To fund commitment to Charity Bank	(1,000,000)	-	-	1,000,000	-
Allocate to current year	(886,513)	886,513	-	-	-
	(1,086,513)	86,513	-	1,000,000	-

- Grants commitments made under the Proactive Grants programme are currently funded at the rate of £800,000 p.a. Average annual commitments made from the Designated Proactive Grants Fund are expected to equal this rate of funding over the medium-term.
- Temporary transfers were made from the Expendable Endowment Fund to the Designated Proactive Grants Fund in 2019 and 2020 to ensure that the balance on the latter Fund was not negative; these have now been reversed. A permanent transfer has now been made to reset the balance on the DGPF to zero.
- The Trustees decided to transfer £886,513 (2020: £3,971,856) from the Expendable Endowment Fund to the General Fund in order to supplement income from the listed investment portfolio, and to facilitate a higher level of grant-making.

6. CHARITABLE GRANTS

	2021 £	2020 £
Proactive programmes:		
Better Futures	-	156,320
Care Leavers	-	-
Dramatic Arts	-	1,000,000
Visual Impairment in developing countries	-	-
	-	1,156,320

6. CHARITABLE GRANTS (continued)

brought forward	-	1,156,320
Alcohol and Substance Misuse	125,032	246,780
Domestic and Sexual Abuse	810,959	950,825
Homelessness	694,310	529,249
Minority Communities	1,064,514	747,619
Older People	282,893	866,245
People with Disabilities	1,540,892	1,500,963
Prisoners and Ex-Offenders	157,861	177,595
Visual Impairment	268,923	451,928
Young People	1,735,078	1,646,643
Other	426,133	1,019,804
Total grant commitments	7,106,595	9,293,971
Returned /cancelled grants	(121,590)	(98,000)
Total grants	6,985,005	9,195,971

Details of grants made are published on the Foundation's website (www.clothworkers.co.uk).

Eight grants accrued in a prior year were returned or cancelled (2020: twelve).

All grants were awarded to institutions.

7. SUPPORT COSTS

	2021 £	2020 £
Administrative services provided by Ramteazle Ltd:		
Staff costs	502,731	427,569
Other costs	262,269	219,431
	765,000	647,000
Direct costs:		
Auditors' remuneration - audit services	8,925	8,500
- non-audit services	2,480	1,025
Trustees' expenses	-	151
Other governance costs	11,600	15,495
Other support costs	12,807	15,166
	800,812	687,337

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited, from which the Foundation purchases administrative services in accordance with its service agreement.

The Foundation's share of total remuneration paid to key management personnel provided as part of this service was £166,685 (2020: £129,133).

No Trustee may receive any salary or fees or receive any remuneration or other benefit, other than expenses reimbursed, from the Foundation save as expressly permitted by the Articles of Association. During the year payments to Trustees totalled £nil (2020: £151).

8. INVESTMENTS

	2021 £	2020 £
Listed investments		
Carrying value at 1 January	188,253,796	184,185,403
Add: Acquisitions at cost	-	11,898,483
Less: disposals at carrying value (proceeds: £12,960,000)	-	(11,301,959)
Net gain/(loss) on revaluation at 31 December	26,631,011	3,471,869
Market value at 31 December	214,884,807	188,253,796
Freehold property		
Carrying value at 1 January	44,000,000	41,500,000
Net gain on revaluation at 31 December	2,300,000	2,500,000
Market value at 31 December	46,300,000	44,000,000
Cash to be invested	1,424,574	63,169
Total Investments at Market Value	262,609,381	232,316,965

9. SOCIAL INVESTMENTS

During 2019 and 2020, commitments of £150,000 and £50,000 were made to the CAF Venturesome Fund, and Stepping Stones, respectively. Both commitments were fully paid up during 2020.

In 2021 three commitments totalling £1.45m were made: Refuaid (£200,000, fully paid); Charity Bank (£1million, fully paid); and Women In Safe Housing (£250k, £73,250 paid).

10. DEBTORS

	2021 £	2020 £
Accrued income and prepayments	500	-
Other debtors	9,631	12,271
	10,131	12,271

11. CASH AND DEPOSITS

At 31 December 2021 all money on short-term deposit was held in interest-bearing bank accounts, or in a managed cash fund.

Cash and deposits totalling £8,356,952 (£7,453,529) is reported within current assets, and an additional sum of £1,424,574 (2020: £63,169), derived from endowment donations received, is included in fixed assets.

12. CREDITORS

	2021 £	2020 £
Amounts falling due within one year		
Grants commitments unpaid	5,864,795	6,094,402
Social investment commitments unpaid	-	-
Other accruals	30,585	25,937
Rent receivable in advance	500	500
Other creditors	901,596	847,305
	6,797,476	6,968,144
Amounts falling due after more than one year		
Grants commitments unpaid	365,300	313,340

13. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Operating (deficit)/surplus	3,654,645	(752,674)
Investment and property management expenses	182,379	152,132
Donations received into endowed funds	(4,112,818)	(3,182,500)
Investment income receivable	(4,662,568)	(3,480,623)
Rental income receivable	(2,000)	(2,000)
Interest receivable	(4,886)	(26,655)
Decrease in debtors	2,640	308,743
(Decrease)/increase in creditors	(119,208)	884,227
Net cash (outflow) from operating activities	(5,061,816)	(6,099,350)

14. UNRESTRICTED FUNDS

	General Fund	Clothworkers' Charity Fund	Designated Proactive Grants Fund	Designated Capital Fund	Total
	£	£		£	£
Balance at 1 January 2020	**528,275**	**32,977**	**0**	**88,670,974**	**89,232,226**
Donations (see note 2)	2,471,920	121,526	-	-	2,593,446
Rental income	1,568	2	-	-	1,570
Investment income	2,728,808	4,177	-	-	2,732,985
Deposit interest and other income	26,655	-	-	-	26,655
Costs of generating funds	(2,459)	-	-	(59,377)	(61,836)
Support costs	(687,337)	-		-	(687,337)
Grants to charitable organisations	(7,142,851)	(129,000)	(1,156,320)	-	(8,428,171)
Transfer from Expendable Endowment Fund	3,971,856	-	-	-	3,971,856
Transfer from General Fund	(800,000)	-	800,000	-	-
Loan from Expendable Endowment Fund	-	-	356,320	-	356,320
Realised gains on investments	-	-	-	(392,213)	(392,213
Unrealised losses on investments	-	-	-	2,330,820	2,330,820
Balance at 31 December 2020	**1,096,435**	**29,682**	**-**	**90,550,204**	**91,676,321**
Donations (see note 2)	2,751,503	109,094	-	-	2,860,597
Rental income	1,569	3	-	-	1,572
Investment income	3,658,251	6,061	-	-	3,664,312
Deposit interest and other income	4,886	-	-	-	4,886
Costs of generating funds	(8,326)	-	-	(75,436)	(83,762)
Support costs	(800,812)	-	-	-	(800,812)
Grants to charitable organisations	(5,995,005)	(126,000)	-	-	(6,121,005)
Transfer from Expendable Endowment Fund	886,513	-	-	-	886,513
Transfer from General Fund	(800,000)	-	800,000	-	-
Reverse loans from Expendable Endowment Fund	-	-	(1,471,820)	-	(1,471,820)
Transfer from Expendable Endowment Fund	-	-	671,820	-	671,820
Realised gains on investments	-	-	-	-	-
Unrealised gains on investments	-	-	-	11,303,346	11,303,346
Balance at 31 December 2021	**795,014**	**18,840**	**-**	**101,778,114**	**102,591,968**

General Fund

All income and costs are credited or debited to the General Fund, excluding those amounts which must be credited or debited to other Funds. All grants are debited to the General Fund unless they are assigned to the Designated Proactive Grants Fund, the Clothworkers' Charity Fund, or other restricted funds.

Clothworkers' Charity Fund

The Clothworkers' Charity Fund is credited with donations from members of The Clothworkers' Company, and matching donations from the Company itself. The Fund is also credited with rental income and investment income derived from the Members' Endowment Fund. Grants debited are determined by the Clothworkers' Charity Fund Committee.

14. UNRESTRICTED FUNDS (continued)

Designated Capital Fund

The Designated Capital Fund was established for the reasons explained in note 1(k). All income arising is credited to the General Fund.

Designated Proactive Grants Fund

The Designated Proactive Grants Fund was established for the reasons explained in note 1(m).

15. ENDOWMENT FUNDS

	Expendable endowment	Permanent endowment - general	Permanent endowment - Margaret Holligrave	Members' endowment	Total
	£	£	£	£	£
Balance at 1 January 2020	**32,079,835**	**47,936,561**	**9,427,885**	**263,316**	**89,707,597**
Donations (see note 2)	3,152,132	-	-	30,369	3,182,501
Transfer to General Fund	(3,971,856)	-	-	-	(3,971,856)
Costs of generating funds	(21,481)	(32,100)	(6,313)	(183)	(60,077)
Loan to Designated Proactive Grants Fund	(356,320)	-	-	-	(356,320)
Realised gains on investments	(141,892)	(212,034)	(41,703)	(1,206)	(396,835)
Unrealised gains on investments	843,228	1,260,064	247,833	7,166	2,358,291
Balance at 31 December 2020	**31,583,646**	**48,952,491**	**9,627,702**	**299,462**	**90,463,301**
Donations (see note 2)	4,093,081	-	-	19,737	4,112,818
Repay loans from Designated Proactive Grants Fund	1,471,820	-	-	-	1,471,820
Transfer to Designated Proactive Grants Fund	(671,820)				(671,820)
Transfer to General Fund	(886,513)	-	-	-	(886,513)
Transfer to Social Investment Fund	(1,000,000)				(1,000,000)
Costs of generating funds	(27,436)	(40,625)	(7,994)	(251)	(76,306)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	4,111,096	6,087,085	1,197,744	37,611	11,433,536
Balance at 31 December 2021	**38,673,874**	**54,998,951**	**10,817,452**	**356,559**	**104,846,836**

Permanent Endowment Fund

This Fund includes the capital portion of the Charity of Margaret Holligrave which was transferred to the Foundation by a Scheme of the Charity Commission dated 9 March 2004; the value of the capital portion of the Charity at that date was £3,943,763. At 31 December 2021, the portion of the Fund representing the capital of the Charity was valued at £10,817,452 (2020: £9,627,702). The Scheme permitted income arising from the endowment to be distributed for such charitable purposes as the Foundation shall determine. All income arising is credited to the General Fund.

15. ENDOWMENT FUNDS (continued)

Expendable Endowment Fund

Donations have been received from The Clothworkers' Company over a number of years with the express intention that they be treated as an expendable endowment fund. The gifts were made with the instruction that the capital should be used as an endowment but could be distributed should the Trustees decide to do so in the future. All income arising is credited to the General Fund.

Members' Endowment Fund

Donations are received from members of The Clothworkers' Company. Where the member stipulates that the donation should be retained and invested, it is credited to the Members' Endowment Fund. All such donations are matched by The Clothworkers' Company. All income arising is credited to the Clothworkers' Charity Fund.

16. OTHER RESTRICTED FUNDS

	Social Investment	Education	Relief in Need	Welfare of the Blind	Total
	£	£	£	£	£
Balance at 1 January 2020	**750,000**	**9,728,441**	**27,531,157**	**11,537,566**	**49,547,164**
Rental income		86	242	102	430
Investment income		148,971	421,851	176,816	747,638
Costs of generating funds		(6,511)	(18,439)	(7,728)	(32,678)
Grants to charitable organisations		(149,000)	(434,800)	(184,000)	(767,800)
Realised gains on investments		(43,010)	(121,794)	(51,049)	(215,853)
Unrealised Gains on investments		255,596	723,791	303,371	1,282,758
Balance at 31 December 2020	**750,000**	**9,934,573**	**28,102,008**	**11,775,078**	**50,561,659**
Rental income	-	85	242	101	428
Investment income	-	199,092	563,238	235,926	998,256
Transfer from Expendable Endowment Fund	1,000,000	-	-	-	1,000,000
Costs of generating funds	(1,000)	(8,245)	(23,324)	(9,770)	(42,339)
Grants to charitable organisations	-	(179,000)	(486,100)	(198,900)	(864,000)
Realised losses on investments	-	-	-	-	-
Unrealised gains on investments	-	1,235,354	3,494,867	1,463,909	6,194,130
Balance at 31 December 2021	**1,749,000**	**11,181,859**	**31,650,931**	**13,266,344**	**57,848,134**

Social Investment Fund

This Fund was established in 2017; total initial donations of £750,000 were received from The Clothworkers' Company. During 2021, the Trustees agreed a transfer of £1,000,000 into the Fund, sourced from the Expendable Endowment Fund.

Commitments of £1,650,000 have been made as at 31 December 2021, of which £1,473,250 have been paid.

During 2021, legal costs of £1,000 were incurred regarding a new investment.

16. OTHER RESTRICTED FUNDS (continued)

Education - Relief in Need - Welfare of the Blind

These funds relate to resources transferred from three Trusts in 2013, plus subsequent net income and investment gains and losses (see note 1(j)). Investment management costs are charged against each Fund, but other running costs are met by the General Fund of the Foundation.

Grants are made in accordance with the objects of the original charities, as set out below. Where the objects of a Fund require that preference is given to a particular constituency when applying a proportion of the income, the Trustees give precedence to such appeals when considering applications.

Education:

The income is used to advance the education of the public, with preference in respect of 75% of the income being given to persons under age 25 who live in, or attend educational establishments in, or whose parents live in, Greater London.

Relief in Need:

A minimum of 92.5% of the income is used to relieve hardship, subject to the following preferences:

(i) 4% to people who reside in the London Boroughs of Islington and Camden; then to people who reside in neighbouring boroughs and then to people who reside in Greater London;

(ii) 3% to people who reside in Greater London, then to people who live in neighbouring counties; and then to people who reside in the remainder of the UK.

Welfare of the Blind:

A minimum of two-thirds of the income is used to relieve hardship of people in the UK who are visually impaired.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Endowment funds (see note 15)	Other restricted funds (see note 16)	Total Funds 2021
	General	Designated Capital	Other			
	£	£	£	£	£	£
Listed investments and freehold property	-	101,778,114		103,422,262	55,984,431	261,184,807
Fixed asset cash	-	-	-	1,424,574	-	1,424,574
Social investments at cost	-	-	-	-	1,473,250	1,473,250
Current assets	7,136,790	-	18,840	-	1,211,453	8,367,083
Current liabilities	(5,976,476)	-		-	(821,000)	(6,797,476)
Long term creditors	(365,300)	-		-	-	(365,300)
	795,014	101,778,114	18,840	104,846,836	57,848,134	265,286,938

Total funds include revaluation reserves of £54,766,698 (2020: £28,135,686).

18. RELATED PARTY TRANSACTIONS

A majority of the Trustees of The Clothworkers' Foundation are members of the Livery of The Clothworkers' Company, which means that the two organisations are related parties. All transactions were entered into on normal commercial terms.

Transactions concerning related parties were as follows:

	2021 £	2020 £
Amounts received/(paid)		
Donations:		
The Clothworkers' Company	6,794,000	5,596,000
Ramteazle Limited	106,000	104,000
Administrative service charges:		
Ramteazle Limited	(765,000)	(647,000)
Debtors/(creditors)		
The Clothworkers' Company	(1,518)	(924)
Ramteazle Limited	(900,077)	(846,381)

Ramteazle Limited is a wholly owned subsidiary of The Clothworkers' Company.

There were no potential conflicts of interest involving Trustees.

THE CLOTHWORKERS' FOUNDATION

England & Wales - Charity number 274100

Accounts

Company No. 1321952
Charity Commission Registration Number 274100

THE CLOTHWORKERS' FOUNDATION

THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Haysmacintyre LLP

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TRUSTEES AND PROFESSIONAL ADVISORS

TRUSTEES	Lucy Rawson (Chair) Andrew Blessley Denis Clough Chloe Holness *[appointed 12 February 2021]* Nicholas Horne *[resigned 6 January 2021]* Charlie Hutchins Emma Ingham Clarke *[appointed 23 September 2020]* Michael Jarvis Alex Nelson Susannah O'Leary Ola Opoosun *[appointed 12 February 2021]* Neel Patani *[appointed 23 September 2020]* Jonathan Portal *[resigned 23 September 2020]* Philip Portal Oonagh Smyth *[appointed 12 February 2021]* Tom Stoddart-Scott Hanif Virji Andrew Yonge *[resigned 23 September 2020]*
CHIEF EXECUTIVE	Jocelyn Stuart-Grumbar
REGISTERED OFFICE AND PRINCIPAL ADDRESS	Clothworkers' Hall Dunster Court Mincing Lane London EC3R 7AH
AUDITOR	Haysmacintyre LLP 26 Red Lion Square London WC1R 4AG
BANKERS	Bank of Scotland London Chief Office Old Broad Street London EC3M 5AN
INVESTMENT MANAGERS	Blackrock Advisors (UK) Murray House 1 Royal Mint Street London EC3N 4HH Gresham Investment Management 67 Irving Place 12th Floor New York NY 10003
WEBSITE	www.foundation.clothworkers.co.uk
CHARITY COMISSION REGISTRATION NUMBER	274100
COMPANY REGISTRATION NUMBER	1321952

The Trustees present their Report and the financial statements of the Foundation for the year ended 31 December 2020; these have been prepared in accordance with the provisions of the Statement of Recommended Practice (FRS102), *Accounting and Reporting by Charities*, issued in 2015 (the "SORP"). The information on the preceding pages forms part of this report. This report also includes the information required in a Directors' Report and a Strategic Report for the purposes of company law.

COVID-19 PANDEMIC

In March 2020, following the emergence of the Covid-19 virus and subsequent pandemic, a lockdown was imposed which had a significant negative impact on economic activity. Further lockdowns were subsequently required.

The effect for the Foundation was, initially, to reduce valuations of investment assets, although there was some recovery as the year progressed. Income was also adversely affected in 2020, and it is expected that this will continue to be the case in 2021. However, the Foundation's substantial asset base has meant that it has been able to withstand these effects.

Furthermore, in response to the crisis and its impact on many charities, the Trustees decided to allocate additional resources, sourced from expendable endowment funds, to augment the Foundation's ability to provide essential relief and support. This has allowed additional grants commitments of £2.46 million to be made in 2020 for Covid-19 relief work.

HISTORY, OBJECTIVES, ACHIEVEMENTS AND PUBLIC BENEFIT

History

The Clothworkers' Foundation was incorporated in 1977 as a company limited by guarantee; it is a registered charity.

In over 40 years of activity, grants in excess of £152 million have been made by the Foundation and subsidiary trusts to charitable organisations and individuals.

Objects

The objects of the charity are the advancement of such charitable purposes as the Foundation shall from time to time determine.

Aims and Strategies

Main and Small Grants Programmes

The Clothworkers' Foundation aims through its funding to provide public benefit by improving the lives of people and communities, particularly those that face disadvantage.

It aims to achieve this through two open grants programmes which fund a range of capital projects that meet its eligibility criteria, and which fall within one or more of its specified areas.

Regular Grants Programme

The programme is the Foundation's portfolio of annual grants to a small number of selected charities with which it wishes to maintain an ongoing relationship. It is not an open grants programme.

Proactive Grants Programme

Launched in 2007 and currently featuring five initiatives, the Proactive Grants Programme is not open to funding enquiries or applications. Initiatives are developed following extensive research and consultation with organisations working in the selected sectors.

Social Investment

The Foundation has established a programme of social investment, funded by restricted donations received from The Clothworkers' Company.

Objectives

The objectives of the Foundation are:

- To manage its resources so as to ensure that the budget agreed for charitable grants can be distributed.
- To stimulate a flow of good quality eligible applications for funds that meet its criteria, by setting application guidelines with sufficient clarity to avoid charities wasting valuable resources in preparing submissions that are ineligible.
- To undertake an objective assessment of all applications for grants, appropriate to the scale of support contemplated.
- For the proactive programme, to develop sufficient understanding of the selected areas to allow it to identify particular activities to support and organisations with which to work.
- To maximise public benefit by distributing its income in the most effective way possible.
- To monitor the impact of the grants on the people and communities it seeks to help.
- To identify suitable initiatives for social investment.

Grant-making Policy

The Foundation is a predominantly reactive capital funder for charities and projects meeting its published eligibility criteria. It undertakes a grant-making review every five years, most recently in 2016.

The Foundation's current grant-making activities are as follows:

- An open main grants programme funding capital projects of charities in one or more of the following nine areas: alcohol and substance misuse, people with disabilities, disadvantaged minority communities, disadvantaged young people, domestic and sexual abuse, homelessness, older people, prisoners and ex-offenders, and visual impairment. Only charities with an annual operating income of less than £15 million are eligible to apply.
- An open small grants programme awarding grants of up to £10,000 in the above areas to charities with annual income of less than £2 million.
- A regular grants programme through which a limited number of charities selected by the Foundation receive grants every year, subject to regular review.
- A proactive grants programme, established in 2007, which currently includes five initiatives: Conservation, Dramatic Arts II, *Better Futures II*, Visual Impairment in Developing Countries, and a Care Leavers initiative.
- A response to the Covid-19 pandemic. The first phase was an emergency response made through the Clothworkers' own Emergency Capital Programme, as well as major grants to the National Emergencies Trust and the London Community Response Fund (by means of a grant to the City Bridge Trust).

Full details of the Foundation's grant-making policy and guidelines are provided on the website (www.clothworkersfoundation.org.uk); they are also published in the Annual Review, a copy of which may be downloaded from the website or obtained from The Clothworkers' Foundation, Clothworkers' Hall, Dunster Court, Mincing Lane, London EC3R 7AH.

Social Investment Policy

The Foundation's intention is to identify initiatives which are suited to a 'social investment' approach; these would be complementary to existing grant making activities and would be expected to fall within the existing programme areas.

The Clothworkers' Company has previously provided total funding of £0.75 million for this programme.

Recent Significant Activities and Achievements

Grants totalling £9.29 million, 655 in number (2019: £7.59 million, 297 in number), were committed during the year, across the various programmes. The substantial increase during 2020 was a consequence, in the main, of additional support provided during the Covid-19 pandemic.

Through these programmes, the Trustees consider that the Foundation provides public benefit by focusing resources in areas of greatest need, and in accordance with its objectives.

Details of grants of £25,000 or more are published in the Annual Review, and case studies on selected projects are featured on the Foundation's website (www.clothworkersfoundation.org.uk). However, a summary of each programme is set out below.

- ***Covid-19 grants programme***

  As noted above, the onset of the Covid-19 pandemic caused a significant increase in need, to which the Trustees responded by allocating additional funds from the Foundation's expendable endowment. Total commitments of £2,457,621 have been made.

- ***Open grants programme***

  The majority of non Covid-19 grant funding was made under the main grants programme, with £3,872,200 being committed during the year to capital projects.

  Further commitments of £1,305,830 were made under the small grants programme, under which grants of up to £10,000 are made to capital projects for smaller charities, and up to £15,000 in the case of funding for minibuses.

- ***Regular grants programme***

  The Foundation continued to award annual grants to a small number of selected charities under the Regular Grants Programme which does not accept applications. Commitments totalling £373,000 were made during 2020.

- ***Proactive initiatives***

Total grants of £1,156,320 were made across all of the Proactive sub-programmes during 2020.

Care Leavers: this is the newest proactive initiative. Its broad aim is to support organisations and projects that help young people leaving the care system to transition successfully to adulthood A total budget of £1.38 million was allocated, and this was fully committed in 2018 and 2019.

Its focus is on education, training and employment for care-leavers, as well as standardised professional training for people working with and for care-leavers. It is planned that a final report on the outcomes achieved will be commissioned in 2021.

Conservation: this initiative is primarily concerned with ensuring that conservation skills identified as endangered do not die out. The initiative ran from 2008 and had been allocated £2.5 million by 2019. Having been evaluated externally in 2015, the proactive Conservation initiative has been considered a success, and the last 13 years have seen the Foundation make an important contribution to the sector. With all funds committed by 2020, the Trustees agreed that the initiative should not be extended beyond the end of the year.

Visual Impairment in Developing Countries: this initiative was launched in 2012 with an initial allocation of £0.375m. Following a tender process, a single grant of £366,000 was awarded to Vision Aid Overseas for a five-year eye care project in Sierra Leone.

The Trustees subsequently agreed a further allocation of £0.75m over a period of up to five years from 2017. This was committed through a grant of £410,000 to Orbis in 2017 for a project which will aim to eliminate trachoma in specified regions of Ethiopia, and a further £350,000 grant to Vision Aid Overseas in 2018 which built on the previous 2012 project. All funds for this initiative have now been committed.

Better Futures II: this initiative was set up in 2013 as a response to the 2011 riots and to the socio-economic climate felt by many to have been a root cause. With an initial £1.25 million allocation, its overarching aim was (and is) to help young people from disadvantaged backgrounds to reach their full potential.

In 2017, nfpSynergy was engaged to undertake an independent external evaluation of *Better Futures,* which found that it had met its objectives. Based both on the nfpSynergy conclusions, and on the Foundation's own internal assessment of the seven projects it had funded, *Better Futures* was extended by three years from 2019 with a new £1.25 million allocation, of which £1.1 million was committed in that year.

During 2020, grants were awarded to:

- UK Youth: £150,000 over two years for a street-based youthwork programme that will aim to address the high levels of disadvantage experienced by young people in Blackburn, an area of significant deprivation.
- nfpSynergy: £6,320 to undertake an external evaluation of the two-year UK Youth project

All funds for this initiative have now been committed.

Dramatic Arts II: this initiative was allocated £1.25 million over five years from 2014. It focuses on excellence in the dramatic arts, and on mainstream provision, and has two strands: an annual Clothworkers' Theatre Award of

up to £150,000 which concentrated on the English regions (excluding London); and full bursaries for students from economically disadvantaged backgrounds to study at the Royal Academy of Dramatic Arts or the London Academy of Music and Drama.

With all funding for the Dramatic Arts initiative allocated, an independent external evaluation was undertaken by Sam-Culture in 2019. Based on the findings of the evaluation, the Dramatic Arts initiative was extended with a new £1m allocation from 2020, from which the following grants have been awarded:

- National Youth Theatre (NYT), £490,000 (£400,000 to support NYT on to plan, implement and evaluate a revised model for young people's participation over three years, £60,000 for bursaries over five years, and £30,000 towards NYT on tour).
- London Academy of Music and Dramatic Art, £225,000 over five years to award annual bursaries of £15,000 to students from low-income backgrounds for the entirety of the two-year undergraduate Technical or three-year Acting course.
- Royal Academy of Music and Dramatic Arts, £225,000 over five years to award annual bursaries of £15,000 to students from low-income backgrounds for the entirety of the two-year undergraduate Technical, or three-year Acting course.
- Society of London Theatre, £50,000 for five £10,000 Clothworkers' Laurence Oliver bursaries over five years to final year students from low-income backgrounds.
- Sam-Culture, £10,000 to undertake and external evaluation of the National Youth Theatre three-year participation project detailed above.

- ***Clothworkers' Charity Fund (previously Livery Fund – see below) programme***

Three grants were also awarded from the Clothworkers' Charity Fund (which does not accept applications), a sub-fund which receives donations from members of The Clothworkers' Company, and which are matched by the Company itself. Commitments in 2020 totalled £129,000.

- ***Social investment activities***

During 2019, a loan of £150,000 was made to the CAF Venturesome Development Fund.

In 2020, a loan of £50,000 was made to London Play Design CIC, through the Stepping Stones Finance Facility.

Also, an investment in the Women in Safe Housing Fund was approved in 2020 and finalised in January 2021.

- ***Governance Review***

Following a comprehensive review of the Foundation's governance in 2019, several key changes were implemented. These included: an increase in the level of delegated authority for the Grants Committee, which is now able to agree grants up to £50,000 (increased from £25,000); the establishment of a Regular Grants Committee that will meet annually; and the creation of a Nominations Committee that will oversee the appointment of new committee members and Trustees.

The review has also resulted in the appointment of two new Trustees recruited from the wider Clothworkers' membership and, for the first time, the additional recruitment of three external Trustees (from 2021). Recruiting experienced external trustees is one of our efforts to ensure that our board works towards becoming more diverse and reflective of the sectors in which the Foundation works.

Future Plans

The Trustees are aware of their responsibility to ensure that the Foundation's charitable support remains focused, and to build on the priorities adopted during periodic reviews of grant-making policy. Accordingly, during 2021 they plan to:

1. Begin groundwork for the 2022 strategic grant-making review.
2. Implement the remainder of the Foundation's Covid-19 proactive work, involving targeted support for the Domestic Abuse sector, and for Communities Experiencing Racial Inequality.
3. Undertake an analysis of the Foundation's Covid-19 emergency funding response.
4. Explore opportunities for further social investment whilst monitoring current investments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership

The Clothworkers' Company is the sole member of the Foundation.

Recruitment and Induction of Trustees

The Board of Trustees comprises between eight and fifteen individuals who, until 2020, had been drawn exclusively from the Court and Livery of the Company, offering a range of pertinent experience and qualifications. The Company's objective had been for the Foundation to have a board of Trustees which is balanced as to age and skills, capable of formulating the policies and strategies of the Foundation, and able to provide direction to the Chief Executive and staff on the conduct of its affairs. In 2020, the Foundation's newly formed Nominations Committee initiated the first open recruitment process within the Company's wider membership. Two applicants were successful and joined the Board in late 2020. Further to this, following one of the recommendations of the governance review, the Board made a commitment to recruit, for the first time, two external Trustees. This expressly sought to enhance both the diversity and the lived experience around the Board table. The quality of the candidates and the availability of an unexpected vacancy on the Board, allowed the appointment of three external Trustees, joining the Board in early 2021.

All Trustees are expected to be conversant with their responsibilities. New Trustees have a full induction programme and all Trustees are alerted to training and CPD opportunities as they arise. A register of training undertaken is retained.

On their appointment, new Trustees are provided with a detailed induction package, including a copy of the Policy and Procedures Manual of the Foundation, which is a compilation of the key regulations, administrative arrangements, and codes of conduct by which the Foundation operates (and which is regularly reviewed).

Presentations are regularly made to the Trustees on topical issues by charities operating in key spheres of the Foundation's charitable activity.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Clothworkers' Foundation for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 contained within 'Accounting and Reporting by Charities – Statement of Recommended Practice' (the SORP).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Foundation's auditors and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

Public Benefit

The Trustees confirm that they have paid due regard to the guidance of the Charity Commission in respect of public benefit in reviewing aims and objectives, and in planning future activities, setting grant-making policies and awarding grants.

Committees of the Board of Trustees

The Board of Trustees has delegated specific duties to a number of standing committees which deal with operational matters:

Grants Committee:	For assessment of grant applications under the main and regular programmes
Small Grants Committee:	For assessment of grant applications under the small grants programme
Proactive Grants Committee:	For formulating proposals for new areas of grant-making under the proactive programme - and for assessing grants to be made in such areas, once determined
Finance, Investment and General Purposes Committee:	For financial and investment strategy/management and general matters

There is also a Clothworkers' Charity Fund Committee which determines grants to be made from the Clothworkers' Charity Fund.

Decision-making Processes

Trustees' meetings are held four times each year. The business of these meetings is, broadly, to develop strategy, to set and monitor objectives, and to consider reports and recommendations from the standing committees referred to above.

The standing committees are permitted to make decisions on operational matters within the policies previously agreed by the Trustees; their duties are laid down in the policy and procedures manual. In particular, grants of up to £50,000 may be approved by the relevant committee.

Committees have the ability to form sub-committees to deal with more detailed matters and for taking decisions in accordance with delegated authorities agreed by the Trustees. Currently, there are three standing sub-committees, all of which report to the Finance, Investment and General Purposes Committee: Budget, Risk and Audit, and Social Investment.

The duties of these sub-committees reflect their areas of specialism. In particular, the Budget Sub-Committee recommends the annual budget, and undertakes detailed monitoring of the budget throughout the year. The principal duties of the Risk and Audit Sub-Committee are as follows: to determine the nature and scope of the audit, request specific investigations from the auditors from time to time, and consider any issues arising therefrom; to ensure that the assets and funds are accounted for and safeguarded; to ensure that adequate financial controls are maintained; to monitor compliance in all respects; and to review risk exposure and ensure that appropriate steps are taken to mitigate risks.

Risk Assessment – Principal Risks and Uncertainties

The major risks to which the Foundation is exposed, as identified by the Trustees, have been reviewed, and systems have been established to manage those risks; this process is overseen by the Risk and Audit Sub-Committee. In particular, risk is an important component of the budgeting process.

Accordingly, the Foundation has established prudent investment and spending policies. Most of its general income is derived from its listed investment portfolio, or as a donation from The Clothworkers' Company, the latter being ultimately derived from listed and property investments. Subject to reserving requirements, the Foundation's policy is to spend all available income, plus any additional amounts that may be transferred from expendable endowment funds, when considered appropriate.

The Foundation has received a significant annual donation from The Clothworkers' Company for many years. Although there is no absolute assurance that these donations will continue, the Company has confirmed its intention to carry on providing such support, and it is expected that the Company would inform the Foundation in the event of a change in its policy.

The Trustees consider that, since the nature of the Foundation's grant-making activity involves very little by way of un-accrued future commitments, it is unlikely that any unplanned reduction in funds available for grants would have an impact on beneficiaries to whom commitments have already been made. Furthermore, the maintenance of general reserves allows commitments to be fulfilled in a timely fashion.

However, it is recognised that continuing public spending reductions in the aftermath of the financial crisis and, currently, the Covid-19 pandemic, have necessarily exerted some pressure on the finances of many charities. Accordingly, as in previous years, the Foundation seeks, through its assessment and monitoring procedures, to ensure that its funds are deployed in a manner most likely to achieve advancement of its charitable objectives. The scope of the Foundation's support now also includes some social investment commitments; these are assessed by performing appropriate due diligence work.

Connected Charities and Restricted Funds

Until 2013, The Clothworkers' Foundation was the corporate trustee of three Trusts and of The Clothworkers' Foundation Common Investment Fund (the CFCIF). In that year, with the concurrence of the Charity Commission, the assets of the three Trusts were transferred to the Foundation, to be held as restricted funds of the Foundation going forward, and the CFCIF was liquidated.

The Trustees continue to apply the income and assets contained within the three restricted funds in accordance with the trust deeds of the three liquidated Trusts.

Further information about the transfer and the restricted funds is contained within notes 1(j) and 17.

Related Party Transactions

The Clothworkers' Foundation is a related party of The Clothworkers' Company and its subsidiary companies. The Clothworkers' Company is a City of London Livery Company. Further details of related parties, and any associated transactions, are disclosed in note 19.

The policy of the Foundation, in respect of potential related party transactions involving Trustees, is to avoid any conflicts of interest. Accordingly, when a Trustee has a material interest in any matter being considered by the Foundation, that Trustee does not participate in the decision-making process. Furthermore, where a potential conflict of interest arises such that the conflicted member has the power to significantly alter the policies or decisions of the Foundation, such potential conflicts are disclosed in note 19.

FINANCIAL REVIEW AND PERFORMANCE

Investment Policy

The Foundation seeks to maximise the total return on its portfolio, within the constraints imposed by the need to control risk.

The assets of the Foundation (incorporating those of the three liquidated Trusts) are allocated in accordance with the results of an investment strategy review, conducted in 2016, and implemented in 2017. The adopted asset allocation seeks to achieve diversification and hence enhance risk control, and encompasses UK equities, overseas equities, emerging market equities, fixed interest and commodities; there is also one direct property holding. This allocation is managed in conjunction with two managers and, excepting the direct property investment, the entire portfolio is held in the form of unitised investments.

The primary strategic long-term investment objective is the requirement that the overall investment portfolio should perform in accordance with the FTSE All-Share Index. In addition, there is a secondary objective that the portfolio should maintain its value in real terms over time, as measured by the Retail Price Index.

The Foundation uses the income arising from the portfolio in furtherance of its charitable objectives, and those of its restricted funds. It also considers the capital return earned on its portfolio, and any further endowment donations received, and is prepared to utilise some of its expendable endowment to support current grant-making if it is considered appropriate to do so.

Funds of the Foundation and Reserves Policy

The net assets of the Foundation are divided between 'restricted funds' and 'unrestricted funds' as set out below:

- Restricted Funds

  Permanent Endowment Fund: this fund totals £58.58 million (2019: £57.36 million) and represents donations received which were subject to a condition requiring their permanent retention as an endowment. Income arising is credited to the General Fund.

  Expendable Endowment Fund: this fund totals £31.58 million (2019: £32.08 million) and represents donations received which were subject to a condition requiring their retention as an endowment, but allowing the Trustees to

spend the fund in accordance with the Foundation's objects if they so decide. Income arising is credited to the General Fund.

Members' Endowment Fund: this fund totals £0.30 million (2019: £0.26million) and represents donations received from members of the Livery of The Clothworkers' Company, which were subject to a condition requiring their retention as an endowment. Income arising is credited to the Clothworkers' Charity Fund (previously Livery Fund).

Social Investment Fund: this fund totals £0.75 million (2019: £0.75 million) and was established during 2017, following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used for social investment; the Company made a further donation during 2018. During 2019 and 2020, the Trustees made two commitments of totaling £200,000, and plan to make further commitments during 2021 (see section above).

Other restricted funds: there are three further restricted funds totalling £49.81 million (2019: £48.80 million) which represent the capital of three Trust funds transferred to the Foundation in 2013 (see above). The income arising on these three funds is used to fund grants which correspond with the objects of the three Trust funds; however, the capital is currently retained to act as an endowment.

- Unrestricted Funds

Designated Capital Fund: this fund totals £90.55 million (2019: £88.67 million) and was established in 1996 to represent the capital of the Foundation at that time (see Note 1(k)), and to act as a fund to generate income for the benefit of future beneficiaries. It is the intention of the Trustees to continue to maintain this fund going forward, although income arising is credited to the General Fund.

Clothworkers' Charity Fund: this Fund was established in 2005 as the 'Livery Fund' to receive donations from members of the Livery of The Clothworkers' Company; it was renamed during 2019. All such donations (other than those credited to the Members' Endowment Fund – see above) are used to fund grants to charities selected by the Livery Charity Committee of the Foundation. The balance at 31 December 2020 was £29,682 (2019: £32,977).

Designated Proactive Grants Fund (DPGF): this fund was created in 2019. All commitments made under the various proactive grants programmes are debited to the fund. Each year, a fixed amount of income is transferred from the General Fund (see below), the amount being set at a level which represents the expected long-term average annual commitment to proactive grants. Consequently, over the long-term, it is expected that total income credited to the DPGF will be equal to total commitments. However, in years when cumulative commitments exceed cumulative income, the resulting negative fund balance is offset by a short-term loan from the Expendable Endowment Fund.

General Fund: this fund is credited with all income arising, excepting amounts credited to the Clothworkers' Charity Fund, or restricted funds, as set out above. It is the intention of the Trustees to distribute all such income each year, subject only to the agreed general reserves policy, as described below.

- General Reserves Policy: during 2020, the Trustees reviewed the level of the General Fund. The previous policy was for the balance on the Fund to be set at the level of 15% (+/- 2%) of anticipated (General Fund) income for the year. After due consideration, the Trustees decided that it would be appropriate to continue to maintain the size of the General Fund at this level, in order to allow the Foundation to fulfill its commitments in a timely fashion.

At 1 January 2020, the balance on the General Fund totalled £0.53 million which was equivalent to 9% of total (General Fund) income, as explained above; during 2020, the balance on the General Fund increased to £1.10 million which was equivalent to 21% of total (General Fund) income. The Trustees intend to restore general reserves to their policy level during 2021.

Income

Total income in 2020 was £9.29 million (2019: £9.73 million), of which £5.70 million (2019: £4.10 million) was a donation from The Clothworkers' Company or its subsidiary, Ramteazle Ltd. Of this donation, £3.15 million (2019: £2.79 million) was subject to a restriction that it be used as an expendable endowment (see note 1(g)). Donations of £0.12 million (2019: £0.11 million) were also received into the Clothworkers' Charity Fund (previously Livery Fund - (see note 1(l)), and £0.03 million (2019: £0.02 million) was credited to the Members' Endowment Fund (see note 1 (h)).

Expenditure

Grants to charitable organisations totalling £9.29 million (2019: £7.59 million) were committed during the year (see note 6), which included the recommitment of cancelled and returned grants accrued in earlier years, totalling £0.1 million (2019: £0.08 million). Details of grants made, in excess of £25,000, are published in the Annual Review, and on the Foundation's website (www.clothworkersfoundation.org.uk).

Total expenditure during the year, excluding grants, was £0.84 million (2019: £0.83 million), of which the cost of generating funds totalled £0.15 million (2019: £0.20 million).

Investment Performance

The disposition of assets is shown below:

	2020 %	2019 %
UK equity units	32	32
Overseas equity units	32	33
Emerging markets units	9	9
Fixed interest units	6	5
Commodities units	2	2
Direct freehold property	19	18
Uninvested cash	-	1
	100	100

Over the course of 2020, after allowing for new funds received, the Foundation's investment assets (excluding property) earned a total return of 3.5%. The FTSE All-Share Index, against which the Fund benchmarks itself, decreased by 9.5%, whilst RPI increased by 1.2%.

AUDITORS

Haysmacintyre LLP have signified their willingness to continue in office as auditors.

Dr Lucy Rawson
Chair

Clothworkers' Hall
Dunster Court
Mincing Lane
London EC3R 7AH
22 June 2021

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER

Opinion

We have audited the financial statements of The Clothworkers' Foundation for the year-ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 charitable company'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 Trustees' Annual Report. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report (included within the Trustees' Annual Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 8-9, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 [group or the parent] charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and considered other factors such as income tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

A further description of our responsibilities for the audit of the financial statements is located 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Broome (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Chartered Accountants
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

23rd September 2021

THE CLOTHWORKERS' FOUNDATION
YEAR ENDED 31 DECEMBER 2020
STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds (note 14)		Restricted Funds (notes 15, 16, 17)		Total	Total
		Clothworkers' Charity, Designated Proactive Grants, and General (notes 1l, 1m,1n)	Designated Capital (note 1k)	Endowments (notes 1f, 1g,1h)	Other (note 1i, 1j)		
		2020	2020	2020	2020	2020	2019
		£	£	£	£	£	£
INCOME							
Donations	2	2,593,446	-	3,182,501	-	5,775,947	4,166,481
Rental income		1,570	-	-	430	2,000	2,000
Investment income	3	2,732,985	-	-	747,638	3,480,623	5,493,020
Deposit interest and other income		26,655	-	-	-	26,655	63,694
Total Income		5,354,656	-	3,182,501	748,068	9,285,225	9,725,195
EXPENDITURE							
Costs of generating funds	4	(2,459)	(59,377)	(60,077)	(32,678)	(154,591)	(197,912)
Charitable activity:							
Grants to charitable organisations	6	(8,428,171)	-	-	(767,800)	(9,195,971)	(7,356,350)
Support costs	7	(687,337)	-	-	-	(687,337)	(634,459)
Costs of grant-making		(9,115,508)	-	-	(767,800)	(9,883,308)	(7,990,809)
Total Expenditure		(9,117,967)	(59,377)	(60,077)	(800,478)	(10,037,899)	(8,188,721)
Operating (deficit)/surplus		(3,763,311)	(59,377)	3,122,424	(52,410)	(752,674)	1,536,474
Transfers	5	4,328,176	-	(4,328,176)	-	-	-
Gains /(losses) on investments:							
- realised	8	-	(392,213)	(396,835)	(215,853)	(1,004,901)	1,120,000
- unrealised	8	-	2,330,820	2,358,291	1,282,758	5,971,869	24,951,285
Net income		564,865	1,879,230	755,704	1,014,495	4,214,294	27,607,759
Fund balances brought forward at 1 January		561,252	88,670,974	89,707,597	49,547,164	228,486,987	200,879,228
Fund balances carried forward at 31 December		1,126,117	90,550,204	90,463,301	50,561,659	232,701,281	228,486,987

The Statement of Financial Activities incorporates the Statement of Income.
All income and expenditure is derived from continuing operations.

The notes on pages 20 to 31 form part of these accounts.

SUMMARY INCOME AND EXPENDITURE ACCOUNT

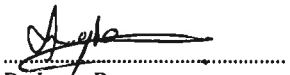
	2020 £	2019 £
Total income of continuing operations	6.102,725	6,912,278
Total expenditure of continuing operations	(9,977,822)	(8,113,729)
Net expenditure for the year	(3,875,097)	(1,201,451)

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 31, provides full information on the movements during the year of all the funds of the Foundation.

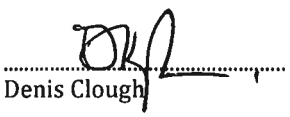
STATEMENT OF FINANCIAL POSITION

Company No. 1321952	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Investments at market value:					
Listed investments	8		188,253,796		184,185,403
Freehold property	8		44,000,000		41,500,000
Uninvested cash	11		63,169		2,606,081
			232,316,965		228,291,484
Social investments	9		200,000		150,000
CURRENT ASSETS					
Debtors	10	12,271		321,014	
Cash at bank and on deposit	11	7,453,529		6,121,746	
		7,465,800		6,442,760	
CREDITORS					
Amounts falling due within one year	12	(6,968,144)		(5,678,057)	
NET CURRENT ASSETS			497,656		764,703
					229,206,187
CREDITORS					
Amounts falling due after more than one year	12		(313,340)		(719,200)
NET ASSETS	18		232,701,281		228,486,987
RESTRICTED FUNDS					
Permanent Endowment Fund	1(f), 15, 18		58,580,193		57,364,446
Expendable Endowment Fund	1(g), 15, 18		31,583,646		32,079,835
Members' Endowment Fund	1(h), 15, 18		299,462		263,316
Social Investment Fund	1(i), 16, 18		750,000		750,000
Other restricted funds	1(j), 17, 18		49,811,659		48,797,164
UNRESTRICTED FUNDS					
Designated Capital Fund	1(k), 14, 18		90,550,204		88,670,974
Clothworkers' Charity Fund	1(l), 14, 18		29,682		32,977
Designated Proactive Grants Fund	1(m), 14, 18		-		-
General Fund	1(n), 14, 18		1,096,435		528,275
TOTAL FUNDS			232,701,281		228,486,987

The notes on pages 20 to 31 form part of these accounts.



Dr Lucy Rawson — Chair of The Clothworkers' Foundation — 22 June 2021



Denis Clough — Chair of the Finance, Investment and General Purposes Committee — 22 June 2021

CASH FLOW STATEMENT

	Notes	2020 £	2020 £	2019 £	2019 £
Net cash (outflow) from operating activities	13		(6,099,350)		(5,151,161)
Cash flows from investing activities					
Investment income receipts		3,328,491		5,301,127	
Rental and interest income		28,655		65,694	
Purchases of investments		(11,948,483)		(15,437,872)	
Sales of investments		10,297,058		12,960,000	
Net cash inflow from investing activities			1,705,721		2,888,949
Cash flows from financing activities					
Endowment donations received		3,182,500		2,812,917	
Decrease in cash awaiting investment		2,542,912		(463,615)	
Net cash inflow from financing activities			5,725,412		2,349,302
Increase in cash and cash equivalents			1,331,783		87,090

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Managed funds £	Cash at bank £	Total £
At 1 January 2019	4,506,547	1,528,109	6,034,656
Net cash inflow/(outflow)	548,555	(461,465)	87,090
At 31 December 2019	5,055,102	1,066,644	6,121,746
Net cash inflow/(outflow)	(4,112,850)	5,444,633	1,331,783
At 31 December 2020	942,252	6,511,277	7,453,529

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with applicable accounting standards. They are prepared in accordance with the requirements of the revised Statement of Recommended Practice, *Accounting and Reporting by Charities (FRS102)*, issued by the Charity Commission in 2015. The principal accounting policies adopted are described below and are consistent with previous years.

(b) Investments

Investments are stated at market value and consist of units in listed investment funds, a freehold property, and cash awaiting investment. Gains and losses on the sale and restatement of investments are shown in the Statement of Financial Activities.

(c) Income

Rents, dividend income, deposit interest, loan stock interest and donations are accounted for on a receivable basis.

(d) Costs of generating funds

These are the costs of managing listed, property and cash investments. Investment management fees suffered within fund investments are grossed up, based on the fee rate applied to market value.

(e) Grants to charitable organisations

Grants are accounted for in the year in which a binding obligation arises. Where there is an intention to make a grant which will be payable in a future year, and which is subject to the fulfilment of appropriate terms and conditions, an accrual will not be made unless the conditions have been fulfilled by the balance sheet date, or are dependent on an external event over which the Foundation has no control. However, where all of the conditions have been met, it is the Foundation's policy that such grants are subject to the receipt and review of a satisfactory report before payment can proceed; therefore, no binding obligations will arise in respect of such commitments until the Foundation has confirmed the relevant grant.

Returned and cancelled grants, originally accrued in prior years, are deducted from grant commitments rather than being included within 'incoming resources'.

(f) Permanent Endowment Fund

The permanent endowment has been received by way of donations over a number of years. All such donations have been made subject to a restriction, stipulated by the donors, that the capital should be invested and not distributed. However, the income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund. Also included within this Fund is the capital transferred from the Charity of Margaret Holligrave in 2004 (see note 15).

(g) Expendable Endowment Fund

The expendable endowment has been received by way of donations over a number of years subject to a condition that capital could be retained or distributed as the Trustees determined. The income arising from the invested capital is to be used for general purposes and is, therefore, included in the General Fund. An appropriate proportion of the costs of generating income is charged to this Fund.

1. ACCOUNTING POLICIES (continued)

(h) Members' Endowment Fund

At 1 January 2010, £3,000 was transferred from the Permanent Endowment Fund to a new Members' Endowment Fund. This amount represented certain legacies, lifetime gifts and (non-Livery Fund) donations from members of The Clothworkers' Company, relating to the years 2001 to 2009, plus accumulated capital appreciation. Subsequent endowment donations from such members have also been credited to this Fund; investment income arising from its assets is credited to the Livery Fund. An appropriate proportion of the costs of generating income is also charged to the Members' Endowment Fund.

(i) Social Investment Fund

The Social Investment Fund was established in 2017, to which are credited donations received subject to a restriction that they be applied to social investment (see note 15).

(j) Other restricted funds

Three restricted funds relate to three previous Trusts which formerly existed as separate charities.

During 2013, the Foundation applied to The Charity Commission for permission to pay the assets of the three Trusts, for which it acted as corporate trustee, to The Clothworkers' Foundation. The transfer was in accordance with section 282 of the Charities Act 2011 and, having gained the consent of the Commission, it took place as at 3 October 2013.

The assets transferred, and the income arising on those assets, are administered by the Foundation as restricted funds, with grants being made to beneficiaries broadly in accordance with the objects and distribution policies of the three original charities (see note 17).

(k) Designated Capital Fund

The Designated Capital Fund was set aside in 1996 out of unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the Foundation. The Fund represented the disposal proceeds arising from the sale of a leasehold property investment in 1994, together with the amounts previously retained in recognition of the depreciation of the lease. Although the Fund is not restricted, it is the Trustees' intention to maintain it over the long term in order to generate resources for future beneficiaries. Income arising from the Fund is credited to the General Fund. An appropriate proportion of the costs of generating income is charged to the Designated Capital Fund.

(l) Clothworkers' Charity Fund (previously Livery Fund)

The Livery Fund was established in 2005; it was renamed as the Clothworkers' Charity Fund (CCF) in 2019.

The CCF is made up of regular donations from the membership of The Clothworkers' Company, which are matched by donations from the Company itself. Investment income arising on the Members' Endowment Fund is also credited to the CCF (see note 14).

The income of the Fund is distributed annually; distributions are recommended by the Livery Charity Committee, taking into account preferences expressed by the donors regarding the selected beneficiary charities of the year. In the event of a deficit arising on the Fund, a compensating transfer is made from the General Fund.

(m) Designated Proactive Grants Fund (DPGF)

The DPGF was established during 2019, in order to provide greater clarity in the reporting of the Proactive grants programme.

1. ACCOUNTING POLICIES (continued)

A transfer is made to the DPGF each year based upon the average amount to be allocated to proactive grants; this transfer is paid from the General Fund, or restricted finds, as appropriate.

Proactive grant commitments are charged to the DPGF; it is planned that these will match the transfers received, taking one year with another. If a deficit arises on the DPGF in a particular year, this is offset in full by a temporary loan from the Expendable Endowment Fund.

(n) General Fund

With the exception of restricted donations, and investment income allocated to the Clothworkers' Charity Fund and restricted funds, all income arising is credited to the General Fund. Expenditure on support costs and governance is charged to the General Fund. The level of grants is determined with reference to the agreed reserves policy.

2. DONATIONS

	Unrestricted Funds		Restricted Funds			
	General Fund	Clothworkers' Charity Fund	Members' Endowment Fund	Expendable Endowment Fund	TOTAL	TOTAL
	2020	2020	2020	2020	2020	2019
	£	£	£	£	£	£
The Clothworkers' Company	2,367,921	60,763	15,184	3,152,132	5,596,000	3,988,000
Ramteazle Limited	104,000	-	-	-	104,000	112,000
Member donations	-	60,763	15,184	-	75,947	65,881
Other donations	-	-	-	-	-	600
	2,471,921	121,526	30,368	3,152,132	5,775,947	4,166,481

Member donations are received from members of the Livery of The Clothworkers' Company, including Gift Aid recoveries, and are credited to the Clothworkers' Charity Fund, or Members' Endowment Fund, in accordance with each member's wishes.

3. INVESTMENT INCOME

Investment income arises from units held in various listed investment funds; these funds are invested in UK equities, overseas equities, fixed interest funds, and a commodities fund.

4. COSTS OF GENERATING FUNDS

The cost of generating funds consists of listed investment management fees and investment property management costs; these are charged to the Designated Capital Fund (see note 14), the endowment Funds (see note 15), and some restricted Funds (see note 17) in proportion to the investment holdings of each fund.

Some additional fees are also incurred in respect of the Foundation's cash management service; these are charged to income (General Fund – see note 14).

5. TRANSFERS

The following transfers were made during the year:

	Expendable Endowment Fund	General Fund	Designated Proactive Grants Fund		TOTAL
	£	£	£		£
Funding for Proactive Grants programme	-	(800,000)	800,000		-
Temporary transfer	(356,320)	-	356,320		-
Allocate to current year	(3,971,856)	3,971,856	-		-
	(4,328,176)	3,171,856	1,156,320		-

- Grants commitments made under the Proactive Grants programme are currently funded at the rate of £800,000 p.a. Average annual commitments made from the Designated Proactive Grants Fund are expected to equal this rate of funding over the medium-term.
- A temporary transfer was made from the Expendable Endowment Fund to the Designated Proactive Grants Fund to ensure that the balance on the latter Fund was not negative. This transfer will be reversed in future years.
- The Trustees decided to transfer £3,971,856 (2018: £150,000) from the Expendable Endowment Fund to the General Fund in order to supplement income from the listed investment portfolio, and to facilitate a higher level of grant-making.

6. CHARITABLE GRANTS

	2020 £	2019 £
Proactive programmes:		
Better Futures	156,320	1,091,750
Care Leavers	-	666,000
Conservation	-	129,750
Dramatic Arts	1,000,000	28,000
Visual Impairment in developing countries	-	-
	1,156,320	1,915,500
Alcohol and Substance Misuse	246,780	145,000
Domestic and Sexual Abuse	950,825	293,400
Homelessness	529,249	427,150
Minority Communities	747,619	630,050

6. CHARITABLE GRANTS (continued)

Older People	866,245	629,000
People with Disabilities	1,500,963	1,745,600
Prisoners and Ex-Offenders	177,595	213,200
Visual Impairment	451,928	221,700
Young People	1,646,643	1,284,400
Other	1,019,804	85,000
Total grant commitments	9,293,971	7,590,000
Returned /cancelled grants	(98,000)	(233,650)
Total grants	9,195,971	7,365,350

Details of grants made are published on the Foundation's website (www.clothworkers.co.uk).

Eight grants accrued in a prior year were returned or cancelled (2019: twelve).

7. SUPPORT COSTS

	2020	2019
	£	£
Administrative services provided by Ramteazle Ltd:		
Staff costs	427,569	410,118
Other costs	219,431	197,882
	647,000	608,000
Direct costs:		
Auditors' remuneration – audit services	8,500	7,650
- non-audit services	1,025	1,015
Trustees' expenses	151	2,699
Other governance costs	15,495	3,405
Other support costs	15,166	11,690
	687,337	634,459

No staff are directly employed by the Foundation. Staff costs are incurred by Ramteazle Limited, from which the Foundation purchases administrative services in accordance with its service agreement.

The Foundation's share of total remuneration paid to key management personnel provided as part of this service was £129,133 (2019: £112,733).

No Trustee may receive any salary or fees or receive any remuneration or other benefit, other than expenses reimbursed, from the Foundation save as expressly permitted by the Articles of Association. During the year payments totalling £151 were made (2019: £2,699); these expenses related to travel and accommodation costs only and were paid to one Trustee (2019: two).

8. INVESTMENTS

	2020 £	2019 £
Listed investments		
Carrying value at 1 January	184,185,403	157,086,246
Add: Acquisitions at cost	11,898,483	15,287,872
Less: disposals at carrying value (proceeds: £12,960,000)	(11,301,959)	(11,840,000)
Net gain/(loss) on revaluation at 31 December	3,471,869	23,651,285
Market value at 31 December	188,253,796	184,185,403
Freehold property		
Carrying value at 1 January	41,500,000	40,200,000
Net gain on revaluation at 31 December	2,500,000	1,300,000
Market value at 31 December	44,000,000	41,500,000
Cash to be invested	63,169	2,606,081
Total Investments at Market Value	232,316,965	228,291,484

9. SOCIAL INVESTMENTS

During 2019, a commitment of £150,000 was made to the CAF Venturesome Fund and, during 2020, a commitment of £50,000 was made to Stepping Stones. Both commitments were fully paid up during 2020.

10. DEBTORS

	2020 £	2019 £
Accrued income and prepayments	-	305,318
Other debtors	12,271	15,696
	12,271	321,014

11. CASH AND DEPOSITS

At 31 December 2020 all money on short-term deposit was held in interest-bearing bank accounts, or in a managed cash fund. An additional sum of £63,169 (2019: £2,606,081) was derived from endowment donations and equalisation received; this is reported as part of the investment portfolio.

12. CREDITORS

	2020 £	2019 £
Amounts falling due within one year		
Grants commitments unpaid	6,094,402	5,415,862
Social investment commitments unpaid	-	150,000
Other accruals	25,937	34,595
Rent receivable in advance	500	500
Other creditors	847,305	77,100
	6,968,144	5,678,057
Amounts falling due after more than one year		
Grants commitments unpaid	313,340	719,200

13. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Operating (deficit)/surplus	(752,674)	1,536,474
Investment and property management expenses	152,132	191,893
Donations received into endowed funds	(3,182,500)	(2,812,917)
Investment income receivable	(3,480,623)	(5,493,020)
Rental income receivable	(2,000)	(2,000)
Interest receivable	(26,655)	(63,694)
Decrease/(increase) in debtors	308,743	(215,676)
Decrease in creditors	884,227	1,707,779
Net cash (outflow) from operating activities	(6,099,350)	(5,151,161)

14. UNRESTRICTED FUNDS

	General Fund	Clothworkers' Charity Fund	Designated Proactive Grants Fund	Designated Capital Fund	Total
	£	£		£	£
Balance at 1 January 2019	280,458	13,067	-	78,500,373	78,793,898
Donations (see note 2)	1,243,698	109,866	-	-	1,353,564
Rental income	1,565	2	-	-	1,567
Investment income	4,299,388	6,042	-	-	4,305,429
Deposit interest and other income	63,694	-	-	-	63,694
Costs of generating funds	(6,019)	-	-	(75,414)	(81,433)
Support costs	(634,459)	-		-	(634,459)
Grants to charitable organisations	(4,621,050)	(96,000)	(1,915,500)	-	(6,632,550)
Transfer from Expendable Endowment Fund	150,000	-	-	-	150,000
Transfer from General Fund	(249,000)	-	249,000	-	-
Transfer from Restricted Funds	-	-	551,000	-	551,000
Loan from Expendable Endowment Fund	-	-	1,115,500	-	1,115,500
Realised gains on investments	-	-	-	440,160	440,160
Unrealised losses on investments	-	-	-	9,805,855	9,805,855
Balance at 31 December 2019	**528,275**	**32,977**	**0**	**88,670,974**	**89,232,226**
Donations (see note 2)	2,471,920	121,526	-	-	2,593,446
Rental income	1,568	2	-	-	1,570
Investment income	2,728,808	4,177	-	-	2,732,985
Deposit interest and other income	26,655	-	-	-	26,655
Costs of generating funds	(2,459)	-	-	(59,377)	(61,836)
Support costs	(687,337)	-	-	-	(687,337)
Grants to charitable organisations	(7,142,851)	(129,000)	(1,156,320)	-	(8,428,171)
Transfer from Expendable Endowment Fund	3,971,856	-	-	-	3,971,856
Transfer from General Fund	(800,000)	-	800,000	-	-
Loan from Expendable Endowment Fund	-	-	356,320	-	356,320
Realised gains on investments	-	-	-	(392,213)	(392,213)
Unrealised gains on investments	-	-	-	2,330,820	2,330,820
Balance at 31 December 2020	**1,096,435**	**29,682**	**-**	**90,550,204**	**91,676,321**

General Fund

All income and costs are credited or debited to the General Fund, excluding those amounts which must be credited or debited to other Funds. All grants are debited to the General Fund unless they are assigned to the Designated Proactive Grants Fund, the Clothworkers' Charity Fund, or other restricted funds.

Clothworkers' Charity Fund

The Clothworkers' Charity Fund is credited with donations from members of the Livery of The Clothworkers' Company, and matching donations from the Company itself. The Fund is also credited with rental income and investment income derived from the Members' Endowment Fund. Grants debited are determined by the Livery Charity Committee.

14. UNRESTRICTED FUNDS (continued)

Designated Capital Fund

The Designated Capital Fund was established for the reasons explained in note 1(k). All income arising is credited to the General Fund.

Designated Proactive Grants Fund

The Designated Proactive Grants Fund was established for the reasons explained in note 1(m).

15. ENDOWMENT FUNDS

	Expendable endowment	Permanent endowment - general	Permanent endowment - Margaret Holligrave	Members' endowment	Total
	£	£	£	£	£
Balance at 1 January 2019	27,050,244	42,437,190	8,346,127	212,953	78,046,514
Donations (see note 2)	2,791,021	-	-	21,896	2,812,917
Transfer to General Fund	(150,000)	-	-	-	(150,000)
Costs of generating funds	(25,982)	(40,777)	(8,022)	(211)	(74,992)
Loan to Designated Proactive Grants Fund	(1,115,500)	-	-	-	(1,115,500)
Realised gains on investments	151,648	238,000	46,816	1,232	437,696
Unrealised gains on investments	3,378,404	5,302,148	1,042,964	27,446	9,750,962
Balance at 31 December 2019	**32,079,835**	**47,936,561**	**9,427,885**	**263,316**	**89,707,597**
Donations (see note 2)	3,152,132	-	-	30,369	3,182,501
Transfer to General Fund	(3,971,856)	-	-	-	(3,971,856)
Costs of generating funds	(21,481)	(32,100)	(6,313)	(183)	(60,077)
Loan to Designated Proactive Grants Fund	(356,320)	-	-	-	(356,320)
Realised losses on investments	(141,892)	(212,034)	(41,703)	(1,206)	(396,835)
Unrealised gains on investments	843,228	1,260,064	247,833	7,166	2,358,291
Balance at 31 December 2020	**31,583,646**	**48,952,491**	**9,627,702**	**299,462**	**90,463,301**

Permanent Endowment Fund

This Fund includes the capital portion of the Charity of Margaret Holligrave which was transferred to the Foundation by a Scheme of the Charity Commission dated 9 March 2004; the value of the capital portion of the Charity at that date was £3,943,763. At 31 December 2020, the portion of the Fund representing the capital of the Charity was valued at £9,627,702 (2019: £9,427,885). The Scheme permitted income arising from the endowment to be distributed for such charitable purposes as the Foundation shall determine. All income arising is credited to the General Fund.

Expendable Endowment Fund

Donations have been received from The Clothworkers' Company over a number of years with the express intention that they be treated as an expendable endowment fund. The gifts were made with the instruction that the capital should be used as an endowment but could be distributed should the Trustees decide to do so in the future. All income arising is credited to the General Fund.

15. ENDOWMENT FUNDS (continued)

Members' Endowment Fund

Donations are received from members of The Clothworkers' Company. Where the member stipulates that the donation should be retained and invested, it is credited to the Members' Endowment Fund. All such donations are matched by The Clothworkers' Company. All income arising is credited to the Clothworkers' Charity Fund.

16. SOCIAL INVESTMENT FUND

This Fund was established in 2017 following the receipt of an initial donation from The Clothworkers' Company, which was subject to a restriction that it be used to fund social investments.

Total donations of £750,000 were received; commitments of £200,000 have been made as at 31 December 2020.

17. OTHER RESTRICTED FUNDS

	Education £	Relief in Need £	Welfare of the Blind £	Total £
Balance at 1 January 2019	8,607,704	24,476,178	10,204,934	43,288,816
Rental income	87	244	102	433
Investment income	236,749	670,149	280,693	1,187,591
Costs of generating funds	(8,271)	(23,411)	(9,806)	(41,488)
Grants to charitable organisations	(55,500)	(397,700)	(270,600)	(723,800)
Transfer to DPG Fund	(176,000)	(375,000)	-	(551,000)
Realised gains on investments	48,272	136,640	57,232	242,144
Unrealised Gains on investments	1,075,400	3,044,057	1,275,011	5,394,468
Balance at 31 December 2019	**9,728,441**	**27,531,157**	**11,537,566**	**48,797,164**
Rental income	86	242	102	430
Investment income	148,971	421,851	176,816	747,638
Costs of generating funds	(6,511)	(18,439)	(7,728)	(32,678)
Grants to charitable organisations	(149,000)	(434,800)	(184,000)	(767,800)
Transfer to DPG Fund	-	-	-	-
Realised losses on investments	(43,010)	(121,794)	(51,049)	(215,853)
Unrealised gains on investments	255,596	723,791	303,371	1,282,758
Balance at 31 December 2020	**9,934,573**	**28,102,008**	**11,775,078**	**49,811,659**

DPG Fund = Designated Proactive Grants Fund

Other restricted funds relate to resources transferred from three Trusts in 2013, plus subsequent net income and investment gains and losses (see note 1(j)). Investment management costs are charged against each Fund, but other running costs are met by the General Fund of the Foundation.

Grants are made in accordance with the objects of the original charities, as set out below. Where the objects of a Fund require that preference is given to a particular constituency when applying a proportion of the income, the Trustees give precedence to such appeals when considering applications.

17. OTHER RESTRICTED FUNDS (continued)

Education:

The income is used to advance the education of the public, with preference in respect of 75% of the income being given to persons under age 25 who live in, or attend educational establishments in, or whose parents live in, Greater London.

Relief in Need:

A minimum of 92.5% of the income is used to relieve hardship, subject to the following preferences:

(i) 4% to people who reside in the London Boroughs of Islington and Camden; then to people who reside in neighbouring boroughs and then to people who reside in Greater London;

(ii) 3% to people who reside in Greater London, then to people who live in neighbouring counties; and then to people who reside in the remainder of the UK.

Welfare of the Blind:

A minimum of two-thirds of the income is used to relieve hardship of people in the UK who are visually impaired.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds			Endowment funds (see note 15)	Other restricted funds (see notes 16 and 17)	Total Funds 2020
	General	Designated Capital	Other			
	£	£	£	£	£	£
Investments at market value	-	90,550,204	1,471,820	91,871,952	49,831,640	232,253,796
Social investments at cost	-	-	-	-	200,000	200,000
Fixed asset cash	-	-	-	63,169	-	63,169
Current assets	6,915,800	-	-	-	550,000	7,465,800
Current liabilities	(5,819,365)	-	(1,128,798)	-	(19,981)	(6,968,144)
Long term creditors	-	-	(313,340)	-	-	(313,340)
	1,096,435	90,550,204	29,682	90,463,301	50,561,659	232,701,281

Total funds include revaluation reserves of £28,135,686 (2019: £26,537,679).

19. RELATED PARTY TRANSACTIONS

A majority of the Trustees of The Clothworkers' Foundation are members of the Livery of The Clothworkers' Company, which means that the two organisations are related parties. All transactions were entered into on normal commercial terms.

19. RELATED PARTY TRANSACTIONS (continued)

Transactions concerning related parties were as follows:

	2020 £	2019 £
Amounts received/(paid)		
Donations:		
The Clothworkers' Company	5,596,000	3,988,000
Ramteazle Limited	104,000	112,000
Administrative service charges:		
Ramteazle Limited	(647,000)	(608,000)
Debtors/(creditors)		
The Clothworkers' Company	(924)	(924)
Ramteazle Limited	(846,381)	(76,175)

Ramteazle Limited is a wholly owned subsidiary of The Clothworkers' Company.

There were no potential conflicts of interest involving Trustees.