



THE CLOTHWORKERS' FOUNDATION

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Haysmacintyre LLP

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REPORT OF THE TRUSTEES

TRUSTEES AND PROFESSIONAL ADVISERS

TRUSTEES

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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
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WEBSITE

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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 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.

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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.

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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.

REPORT OF THE TRUSTEES

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:

REPORT OF THE TRUSTEES

- 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.

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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).

REPORT OF THE TRUSTEES

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)).

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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:

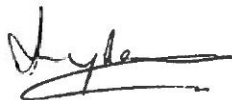
	2021	2020
	%	%
UK equity units	33	32
Overseas equity units	34	32
Emerging markets units	8	9
Fixed interest units	5	6
Commodities units	2	2
Direct freehold property	17	19
Uninvested cash	1	-
	<u>100</u>	<u>100</u>

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



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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).

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER (continued)

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

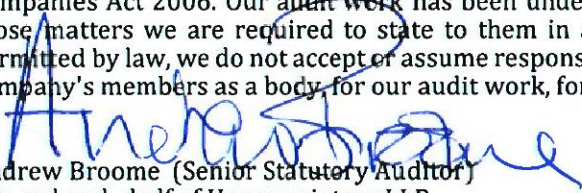
INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER (continued)

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

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

		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)		
	Notes	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.

THE CLOTHWORKERS' FOUNDATION
YEAR ENDED 31 DECEMBER 2021
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	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	<u>(381,867)</u>	<u>(3,875,097)</u>

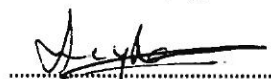
The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 31, provides full information on the movements during the year of all the funds of the Foundation.

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

Company No. 1321952

	Notes	2021 £	£	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	
		<u>262,609,381</u>		<u>232,316,965</u>	
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	
		<u>8,367,083</u>		<u>7,465,800</u>	
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	<u>265,286,938</u>		<u>232,701,281</u>	
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		<u>265,286,938</u>		<u>232,701,281</u>	


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

THE CLOTHWORKERS' FOUNDATION
YEAR ENDED 31 DECEMBER 2021
CASH FLOW STATEMENT

		2021	2020
	Notes	£	£
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 funds, 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		TOTAL	TOTAL
	General Fund	Clothworkers' Charity Fund	Members' Endowment Fund	Expendable Endowment Fund		
	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	-
	<u>2,751,503</u>	<u>109,094</u>	<u>19,737</u>	<u>4,093,081</u>	<u>6,973,415</u>	<u>5,775,947</u>

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 DPGF 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	-	-
	<u>-</u>	<u>1,156,320</u>

6. CHARITABLE GRANTS (continued)

	<i>brought forward</i>	-	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
	<u>765,000</u>	<u>647,000</u>
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
	<u>800,812</u>	<u>687,337</u>

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	<u>214,884,807</u>	<u>188,253,796</u>
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	<u>46,300,000</u>	<u>44,000,000</u>
Cash to be invested	<u>1,424,574</u>	<u>63,169</u>
Total Investments at Market Value	<u>262,609,381</u>	<u>232,316,965</u>

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
	<u>10,131</u>	<u>12,271</u>

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
	<u>6,797,476</u>	<u>6,968,144</u>
Amounts falling due after more than one year		
Grants commitments unpaid	<u>365,300</u>	<u>313,340</u>

**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	<u>(5,061,816)</u>	<u>(6,099,350)</u>

THE CLOTHWORKERS' FOUNDATION
YEAR ENDED 31 DECEMBER 2021
NOTES TO THE FINANCIAL STATEMENTS

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	Other restricted funds	Total Funds
				(see note 15)	(see note 16)	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.