

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**

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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

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BANKERS

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INVESTMENT MANAGERS

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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 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](http://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](http://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.

REPORT OF THE TRUSTEES

- **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 begun 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 31<sup>st</sup> December 2023 were:

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

(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.

**REPORT OF THE TRUSTEES**

**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.

**REPORT OF THE TRUSTEES**

**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.



## REPORT OF THE TRUSTEES

### 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.

REPORT OF THE TRUSTEES

**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  | <ul style="list-style-type: none"><li>• Transparency of strategy in Annual Review and via website.</li><li>• Ongoing dialogue with stakeholders.</li></ul>   |
| Inadequate financial controls  | <ul style="list-style-type: none"><li>• Structured committee oversight.</li><li>• Management processes in place.</li></ul>   |
| Investment portfolio does not exhibit appropriate risk and return attributes | <ul style="list-style-type: none"><li>• Structured investment policy.</li><li>• External investment advice and management.</li><li>• Diversity, prudence and liquidity criteria.</li><li>• Regular performance monitoring.</li></ul> |
| IT systems are inadequate and / or not robust                                | <ul style="list-style-type: none"><li>• Use of service and support contracts.</li><li>• Security and authorisation procedures..</li><li>• Ongoing monitoring of operating environment.</li></ul>                                     |

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.



## REPORT OF THE TRUSTEES

### 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).

REPORT OF THE TRUSTEES

**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](http://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:

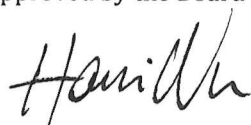
|                          | 2023       | 2022       |
|--------------------------|------------|------------|
|                          | %          | %          |
| UK equity units          | 31         | 31         |
| Overseas equity units    | 31         | 28         |
| Emerging markets units 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

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 1<sup>st</sup> 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.

**THE CLOTHWORKERS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2023**  
**INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER (continued)**


During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 Turlington (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



**THE CLOTHWORKERS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2023**  
**STATEMENT OF FINANCIAL ACTIVITIES**

|   |       | <b>Unrestricted Funds</b>   |                                 | <b>Endowment Funds</b>                     | <b>Other Restricted Funds</b>                              | <b>Total</b> | <b>Total</b> |
|---|-------|---|---------------------------------|--|--|--------------|--------------|
|   |       | (note 15)<br>Clothworkers' Charity,<br>Designated Proactive Grants,<br>and General (notes 1l, 1m, 1n) | Designated Capital<br>(note 1k) | (note 16)<br>Endowments (notes 1f, 1g, 1h) | (note 17)<br>Social Investment, and Other<br>(note 1i, 1j) |              |              |
|   | Notes | 2023  | 2023                            | 2023                                       | 2023   | 2023         | 2022         |
|   |       | £'000   | £'000                           | £'000                                      | £'000  | £'000        | £'000        |
| <b>INCOME from:</b>                                 |       |   |                                 |  |  |              |              |
| 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        |
| <b>Total Income</b>                                 |       | 9,197   | -                               | 18,093                                     | 1,155  | 28,445       | 80,072       |
| <b>EXPENDITURE on:</b>                              |       |   |                                 |  |  |              |              |
| 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)      |
| <b>Total Expenditure</b>                            |       | (9,461)   | (51)                            | (92)                                       | (1,136)  | (10,740)     | (8,687)      |
| <b>Operating (deficit)/surplus</b>                  |       | (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)     |
| <b>Net income/(expenditure)</b>                     |       | 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      |
| <b>Fund balances carried forward at 31 December</b> |       | 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.



**THE CLOTHWORKERS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2023**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

|  | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|--|-----------------------------|-----------------------------|
| 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                    | <u>29,272</u>               | <u>57,216</u>               |

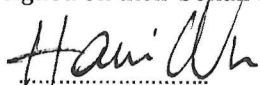
The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 17 which, together with the notes to the accounts on pages 21 to 35, provides full information on the movements during the year of all the funds of the Foundation.

**THE CLOTHWORKERS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2023**  
**STATEMENT OF FINANCIAL POSITION**

| Company No. 1321952                          |              | 2023          |                | 2022          |                |
|--|--------------|---------------|----------------|---------------|----------------|
|  | Notes        | £'000         | £'000          | £'000         | £'000          |
| <b>FIXED ASSETS</b>                          |              |               |                |               |                |
| 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          |
|  |              |               | <u>306,247</u> |               | <u>291,400</u> |
| Social investments                           | 10           |               | 1,436          |               | 1,512          |
| <b>CURRENT ASSETS</b>                        |              |               |                |               |                |
| Debtors                                      | 11           | 1,200         |                | 333           |                |
| Cash at bank and on deposit                  | 12           | 49,238        |                | 33,174        |                |
|  |              | <u>50,438</u> |                | <u>33,507</u> |                |
| <b>CREDITORS</b>                             |              |               |                |               |                |
| Amounts falling due within one year          | 13           | (7,095)       |                | (8,489)       |                |
| <b>NET CURRENT ASSETS</b>                    |              |               | 43,343         |               | 25,018         |
| <b>CREDITORS</b>                             |              |               |                |               |                |
| Amounts falling due after more than one year | 13           |               | (470)          |               | (274)          |
| <b>NET ASSETS</b>                            | 18           |               | <u>350,556</u> |               | <u>317,656</u> |
| <b>RESTRICTED FUNDS</b>                      |              |               |                |               |                |
| 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         |
| <b>UNRESTRICTED FUNDS</b>                    |              |               |                |               |                |
| 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            |
| <b>TOTAL FUNDS</b>                           |              |               | <u>350,556</u> |               | <u>317,656</u> |

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 1<sup>st</sup> 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

**THE CLOTHWORKERS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2023**  
**CASH FLOW STATEMENT**

|   |       | 2023     | 2022    |
|---|-------|----------|---------|
|   | Notes | £'000    | £'000   |
| <b>Net cash outflow from operating activities</b>         | 14    | (11,536) | (4,394) |
| <b>Cash flows from investing activities</b>               |       |          |         |
| 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) |
| <b>Net cash inflow from investing activities</b>          |       | 9,507    | 5,267   |
| <b>Cash flows from financing activities</b>               |       |          |         |
| Endowment donations received                              |       | 18,093   | 23,944  |
| <b>Net cash inflow from financing activities</b>          |       | 18,093   | 23,944  |
| <b>Increase in cash and cash equivalents</b>              |       | 16,064   | 24,817  |
| <b>Cash and cash equivalents at the start of the year</b> |       | 33,174   | 8,357   |
| <b>Cash and cash equivalents at the end of the year</b>   |       | 49,238   | 33,174  |

**ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

|                           | Cash<br>Equivalents<br>£'000 | Cash at<br>bank<br>£'000 | Total<br>£'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 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.

### (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        |                           | TOTAL  |
|---------------------------|--------------------|---------------------------|-------------------------|---------------------------|--------|
|                           | General Fund       | Clothworker Members' Fund | Members' Endowment Fund | Expendable Endowment Fund |        |
|                           | 2023               | 2023                      | 2023                    | 2023                      |        |
|                           | £'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        |                           | TOTAL  |
|---------------------------|--------------------|---------------------------|-------------------------|---------------------------|--------|
|                           | General Fund       | Clothworker Members' Fund | Members' Endowment Fund | Expendable Endowment Fund |        |
|                           | 2022               | 2022                      | 2022                    | 2022                      |        |
|                           | £'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:

|                            | <b>2023</b>   | <b>2022</b>   |
|----------------------------|---------------|---------------|
|                            | <b>£'000</b>  | <b>£'000</b>  |
| Within one year            | 806           | 806           |
| Between two and five years | 3,221         | 3,223         |
| After five years           | 27,336        | 28,140        |
|                            | <u>31,363</u> | <u>32,169</u> |

### 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:

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



**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**

|                                    | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|------------------------------------|-----------------------------|-----------------------------|
| Proactive programmes:              |                             |                             |
| Racial Equity                      | 1,200                       | -                           |
| Better Futures                     | -                           | 50                          |
| Care Leavers                       | -                           | 250                         |
|                                    | <hr/> 1,200                 | <hr/> 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                         |
| <b>Total grant commitments</b>     | <hr/> 9,271                 | <hr/> 7,491                 |
| Returned /cancelled grants         | (357)                       | (100)                       |
| <b>Total grants</b>                | <hr/> <hr/> 8,914           | <hr/> <hr/> 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.org.uk](http://www.clothworkersfoundation.org.uk)).

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

All grants were awarded to institutions.

**8. SUPPORT COSTS**

|   | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| <b>Administrative services provided by Ramteazle Ltd:</b> |              |              |
| Staff costs   | 845          | 619          |
| Other costs   | 568          | 286          |
|   | <u>1,413</u> | <u>905</u>   |
| <b>Direct costs:</b>                                      |              |              |
| 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           |
|   | <u>1,583</u> | <u>961</u>   |

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<br>£'000  | 2022<br>£'000  |
|---|----------------|----------------|
| <b>Listed investments</b>                                 |                |                |
| 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)       |
| <b>Market value at 31 December</b>                        | <u>223,969</u> | <u>207,924</u> |
| <b>Investment property</b>                                |                |                |
| 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)        |
| <b>Market value at 31 December</b>                        | <u>76,350</u>  | <u>77,200</u>  |
| <b>Cash to be invested</b>                                | <u>5,928</u>   | <u>6,276</u>   |
| <b>Total Investments at Market Value</b>                  | <u>306,247</u> | <u>291,400</u> |

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<br>£'000 | 2022<br>£'000 |
|-------------------------------------|---------------|---------------|
| Intercompany – Clothworkers Company | 322           | -             |
| Accrued income and prepayments      | 866           | -             |
| Other debtors                       | 12            | 333           |
|                                     | <u>1,200</u>  | <u>333</u>    |

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

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<br>£'000   | 2022<br>£'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          |
| <b>Net cash outflow from operating activities</b> | <u>(11,536)</u> | <u>(4,394)</u> |

**THE CLOTHWORKERS' FOUNDATION**  
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**15. UNRESTRICTED FUNDS**

|  | General Fund | Clothworker<br>Members'<br>Fund | Designated<br>Proactive<br>Grants Fund | Designated<br>Capital Fund | Total          |
|--|--------------|---------------------------------|--|----------------------------|----------------|
|  | £'000        | £'000                           | £'000                                  | £'000                      | £'000          |
| <b>Balance at 1 January 2022</b>             | <b>795</b>   | <b>19</b>                       | <b>-</b>                               | <b>101,778</b>             | <b>102,592</b> |
| 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)        |
| <b>Balance at 31 December 2022</b>           | <b>640</b>   | <b>15</b>                       | <b>200</b>                             | <b>94,283</b>              | <b>95,138</b>  |
| 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          |
| <b>Balance at 31 December 2023</b>           | <b>1,054</b> | <b>-</b>                        | <b>-</b>                               | <b>99,893</b>              | <b>100,947</b> |

**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).



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**16. ENDOWMENT FUNDS**

|   | Expendable<br>endowment | Permanent<br>endowment –<br>general | Permanent<br>endowment –<br>Margaret<br>Holligrave | Members'<br>endowment | Total          |
|---|-------------------------|-------------------------------------|--|-----------------------|----------------|
|   | £'000                   | £'000                               | £'000  | £'000                 | £'000          |
| <b>Balance at 1 January 2022</b>                  | <b>38,674</b>           | <b>54,999</b>                       | <b>10,817</b>                                      | <b>357</b>            | <b>104,847</b> |
| 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)        |
| <b>Balance at 31 December 2022</b>                | <b>107,554</b>          | <b>50,949</b>                       | <b>10,020</b>                                      | <b>348</b>            | <b>168,871</b> |
| 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          |
| <b>Balance at 31 December 2023</b>                | <b>127,846</b>          | <b>53,979</b>                       | <b>10,617</b>                                      | <b>387</b>            | <b>192,829</b> |

**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**

|  | <b>Social<br/>Investment</b> | <b>Education</b> | <b>Relief in<br/>Need</b> | <b>Welfare<br/>of the<br/>Blind</b> | <b>Total</b>  |
|--|------------------------------|------------------|---------------------------|-------------------------------------|---------------|
|  | <b>£'000</b>                 | <b>£'000</b>     | <b>£'000</b>              | <b>£'000</b>                        | <b>£'000</b>  |
| <b>Balance at 1 January 2022</b>           | <b>1,749</b>                 | <b>11,182</b>    | <b>31,651</b>             | <b>13,266</b>                       | <b>57,848</b> |
| Rental income                              | -                            | -                | -                         | -                                   | -             |
| Investment income                          | 1                            | 226              | 640                       | 268                                 | 1,135         |
| Transfer from Expendable<br>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)       |
| <b>Balance at 31 December 2022</b>         | <b>1,750</b>                 | <b>10,346</b>    | <b>29,285</b>             | <b>12,266</b>                       | <b>53,647</b> |
| Rental income                              | -                            | -                | 1                         | -                                   | 1             |
| Investment income                          | -                            | 230              | 651                       | 273                                 | 1,154         |
| Transfer from Expendable<br>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         |
| <b>Balance at 31 December 2023</b>         | <b>1,750</b>                 | <b>10,935</b>    | <b>31,101</b>             | <b>12,994</b>                       | <b>56,780</b> |

**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<br>(see note 16) | Other restricted funds<br>(see note 17) | Total Funds<br>2023 |
|--|--------------------|-----------------------------|----------------|----------------------------------|---|---------------------|
|  | General<br>£'000   | Designated Capital<br>£'000 | Other<br>£'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:

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

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**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|   | <b>Unrestricted Funds</b><br>(note 15)  |   | <b>Restricted Funds</b><br>(notes 16, 17) |   | <b>Total</b>   |
|---|---|---|---|---|----------------|
|   | <b>Clothworker<br/>Members',<br/>Designated<br/>Proactive<br/>Grants, and<br/>General<br/>(notes 1l,<br/>1m,1n)</b> | <b>Designated<br/>Capital<br/>(note 1k)</b> | <b>Endowments<br/>(notes 1f, 1g,1h)</b>   | <b>Social<br/>Investment,<br/>and Other<br/>(note 1i, 1j)</b> |                |
|   | <b>2022</b>   | <b>2022</b>                                 | <b>2022</b>                               | <b>2022</b>   | <b>2022</b>    |
|   | <b>£'000</b>  | <b>£'000</b>                                | <b>£'000</b>                              | <b>£'000</b>  | <b>£'000</b>   |
| <b>INCOME from:</b>                                 |   |   |   |   |                |
| 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             |
| <b>Total Income</b>                                 | <b>6,992</b>  | <b>-</b>                                    | <b>71,944</b>                             | <b>1,136</b>  | <b>80,072</b>  |
| <b>EXPENDITURE on:</b>                              |   |   |   |   |                |
| 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)        |
| <b>Total Expenditure</b>                            | <b>(7,148)</b>  | <b>(126)</b>                                | <b>(130)</b>                              | <b>(1,283)</b>  | <b>(8,687)</b> |
| <b>Operating (deficit)/surplus</b>                  | <b>(156)</b>  | <b>(126)</b>                                | <b>71,814</b>                             | <b>(147)</b>  | <b>71,385</b>  |
| Transfers   | 196   | -   | (196)                                     | -   | -              |
| Gains /(losses) on investments:                     |   |   |   |   |                |
| - realised  | -   | 37  | 38  | 21  | 96             |
| - unrealised  | -   | (7,406)                                     | (7,631)                                   | (4,075)   | (19,112)       |
| <b>Net (expenditure)/income</b>                     | <b>41</b>   | <b>(7,495)</b>                              | <b>64,024</b>                             | <b>(4,201)</b>  | <b>52,369</b>  |
| Fund balances brought forward at 1 January          | 814   | 101,778                                     | 104,847                                   | 57,848  | 265,287        |
| <b>Fund balances carried forward at 31 December</b> | <b>855</b>  | <b>94,283</b>                               | <b>168,871</b>                            | <b>53,647</b>   | <b>317,656</b> |