

**The Leathersellers'
Company
Charitable
Fund**

Annual Report and Accounts

31 July 2021

Charity Registration Number
278072

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Legal and administrative information

Trustees:	<p>The Wardens and Society of the Mistery or Art of the Leathersellers of the City of London ('the Leathersellers' Company'). The management of the Leathersellers' Company and its function as Trustee is carried out through its Court of Assistants. Members of the Court of Assistants are listed on page 2.</p> <p>D M Santa-Olalla DSO MC (Clerk to the Leathersellers' Company to 10 March 2021) M E Lawrence (Clerk to the Leathersellers' Company from 10 March 2021)</p>
Address:	<p>7 St Helen's Place London EC3A 6AB</p>
Auditor:	<p>Buzzacott LLP 130 Wood Street London EC2V 6DL</p>
Principal Banker:	<p>HSBC Bank plc 1-3 Bishopsgate London EC2N 3AQ</p>
Investment Manager:	<p>Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ</p>
Solicitor:	<p>Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH</p>

Members of the Court of Assistants

To 21 July 2021

J A M Muirhead OBE DL	Master
G G Bacon *+~	Second Warden
Alderman G Jones QC CC +~	Third Warden^
E Womersley *~	Fourth Warden^

From 21 July 2021

G G Bacon	Master
C J Lennon*+~	Second Warden
JDG Curtis ~*	Third Warden^
CJV Williams ~+	Fourth Warden^

C C Barrow
C P Barrow
N R Pullman
M L B Emley
M P E Pellereau BSc FRICS +
M W Pebody BA ~
His Honour A C L Thornton QC +
I A Russell MBE +
A A Barrow ~
M J Bradly Russell FCA*
A B Strong +
M D J Dove BA FCA AKC *
R N Tusting MA Cantab
M G Williams
P G Williams
D H Barrow ~
C J Lennon
W J C Lang ~
R J Chard *
Dr T J C Fooks FRCGP +
H G Williams
S M G Williams +

J A M Muirhead OBE DL~
C P Barrow
N R Pullman
M L B Emley
M P E Pellereau BSc FRICS +
M W Pebody BA ~
His Honour A C L Thornton QC +
I A Russell MBE +
A A Barrow *
M J Bradly Russell FCA*
C C Barrow+
M D J Dove BA FCA AKC
R N Tusting MA Cantab
M G Williams
P G Williams
D H Barrow ~
W J C Lang ~
R J Chard *
Dr T J C Fooks FRCGP +
H G Williams
S M G Williams +

From 6 October 2021

C T G Williams~
W R J Cock*

^The Third and Fourth Wardens are Ex-Officio Members of the Court.

*Members of the Charity Committee.

+Members of the Education Committee.

~Members of the Leather Trades Committee.

Trustees' report Year to 31 July 2021

The trustees present their annual report and accounts of The Leathersellers' Company Charitable Fund for the year ended 31 July 2021. The accounts have been prepared in accordance with the accounting policies set out on pages 20 to 23 of the attached accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and activities for the public benefit, including grant making policy

The charity's Declaration of Trust states that the "Trustees shall apply the Trust Fund and the income thereof for such purposes and objects being charitable at law as they in their absolute and uncontrolled discretion shall determine from time to time".

The charity endeavours to improve our communities, both locally and nationally, by encouraging social mobility through education and training; enriching life experiences through art and culture; preventing violence and social deprivation; and by empowering the disenfranchised through the support of those charities working at the margins of our society.

Grants are awarded by the trustees on the recommendation of its Charity, Education and Leather Trade Committees, which include a number of trustees.

The policy of the trustees is to provide support to a broad range of registered charities or educational establishments. At the same time support is provided to registered charities associated with the Leathersellers' Company, the leather and hide trades, education in leather technology and for the welfare of former workers in the industry and their dependants. Of grants awarded in 2021, 92% by value were to registered charities or educational establishments and 8% were to individuals.

Charitable grants are made to registered charities and individuals and are one of two types; a single grant or a multi-year grant. All multi-year grants are subject to annual review. In addition, the Charitable Fund provides management services free of charge to connected charities.

The trustees receive appeals from a wide range of registered charities and their policy is based upon the principle of making sure that the money goes to those areas most in genuine need and those decisions are based on thorough investigations, including visits to individual charities, coupled with common sense.

The charity relies on members of the Leathersellers' Company volunteering their time to sit on committees, review grant requests, visit applicants, beneficiaries and almshouses, and attend events involving beneficiaries.

The trustees set a budget for charitable giving at the start of the financial year and the objective is to distribute this in an efficient and effective manner within the agreed amount.

The trustees confirm that they have considered the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and believe the broad range and number of charities supported by the charity to be beneficial to the public at large.

Trustees' report Year to 31 July 2021

Achievements during the year

Total grants made during the year amounted to £3,285,000 (2020: £3,463,000). Grants to charities connected to The Leathersellers' Company Charitable Fund totalled £420,000 (2020: £427,500). Grants to charities or individuals associated with the Leather Trades totalled £141,000 (2020: £86,000).

Further details of main and small grants awarded to organisations can be found both online at www.threesixtygiving.org and via 360giving and the linked tools 360GrantNav and 360Insights, and in the Leathersellers' Annual Report 2020-21 which is available on the Leathersellers' Company's website at: <https://leathersellers.co.uk/publications/>

Grants, analysed by type, as defined above, were as follows:

	2021		2020	
	£'000	No.	£'000	No.
To charities:				
Single	656	187	1,285	205
Multi-year	2,368	177	1,940	213
Charity sub-total	<u>3,024</u>	<u>364</u>	<u>3,225</u>	<u>418</u>
To individuals	<u>261</u>	<u>123</u>	<u>238</u>	<u>87</u>
Total grants awarded in year	<u>3,285</u>	<u>487</u>	<u>3,463</u>	<u>505</u>

Grants analysed by charitable sector were as follows:

Charitable Sector	2021		2020	
	£'000	%	£'000	%
Education	1,050	32	1,238	36
Leather Associated	141	4	86	2
Advice	168	5	166	5
Community Support	244	7	164	5
Creative Arts	127	4	134	4
Criminal Justice & Rehabilitation	88	3	114	3
Disability	234	7	298	9
Domestic & Sexual Abuse	343	10	274	8
Employability	92	3	100	3
Food & Essential Provisions	62	2	159	5
Heritage & Environment	21	1	20	0
Homelessness	221	7	266	8
Health	185	6	175	5
Recreational & Out of School Activities	287	8	342	10
Services Support & Rehabilitation	22	1	22	0
Approved grants not paid	-	-	(95)	(3)
Total	<u>3,285</u>	<u>100</u>	<u>3,463</u>	<u>100</u>

Trustees' report Year to 31 July 2021

Covid-19 Stage II Response

2020-21 saw the continued impact of the coronavirus pandemic. Dovetailing with the approach to Stage I of the Covid-19 response, the trustees maintained their efforts to act in a timely though well considered manner to address disadvantage across the UK with the funds available for the 2020-21 Livery Year.

Utilising a combination of existing and innovative funding programmes and approaches allowed the Leathersellers' to both offer much valued stability to long term partners, whilst maintaining agility to award funds to new organisations and individuals where impact was felt to be greatest. With over 70% of the Company's charitable funding pre-allocated in multi-year funding commitments, a strategic approach to the remaining available funds was needed.

Small Grants – strengthened programme

The Small Grants programme re-opened in September 2020 with an increased budget, a simplified application process and a broad remit to support charities with an income of under £200,000, supporting vulnerable people in areas of high deprivation. Responsive and swift, holding 14 meetings over 10 months meant applicant charities had a decision (and potentially funds) within a month of applying. With two further national lockdowns in this financial year, additional applications were also considered from the collaborative initiative, the London Community Response Fund. £197,983 was awarded to 116 charities operating across the UK.

Charity Main Grants – Supporting Existing Multi-Year Grantees

Additional unrestricted funding totalling £105,000 was provided to 12 charities in single year grants. These were organisations who had been supported on a multi-year basis but whose funding had ended in this difficult period, when many possible replacement funders had paused grants processes and/or repurposed funds. These were identified from circa 30 charities as those who had adapted to ensure they could continue to meet the ongoing need for their services and could evidence an urgent need for funds in the immediate future.

Charity Main Grants – New funding

With evidence of increasing need and impactful delivery, the two priority areas of homelessness and domestic abuse were chosen as the focus for new grants in 2020/21.

Striving to reduce duplication and save time and effort for the overstretched charities, we formed partnerships with two other charitable funders. In the field of Homelessness, we partnered with Homeless Link, the national membership charity for the sector in England. They work to make services better and campaign for policy change to help end homelessness and had been working with government and other major funders to administer substantial Covid-19 grants across the UK. With permission from applicants, around 200 applications were shared. Prioritising those working to break the cycle of homelessness looking beyond short-term needs, working in geographical areas of deprivation and who were led by those with lived experience allowed us to shortlist and provide new multi-year funding to 8 exceptional new charities.

To identify new best practice in Domestic Violence, we partnered with the Henry Smith Charity, a charitable funder of a considerable heritage (founded in 1628) specialising in social welfare that distributes around £32million per annum. Whilst a considerably larger funder, many of their values aligned with ours, including a focus on small charities and so they agreed to share the applications of their funded domestic violence organisations. From circa 60 applications, we shortlisted, visited, and awarded new multi-year funding to 12 outstanding charities working across all four nations of the UK.

Trustees' report Year to 31 July 2021

Benefits of focusing on particular societal issues were clearly seen, with both staff and Committee members proactively learning about recent developments in best practice and approaches to tackling these systemic problems. Considering how to ensure the shortlisting criteria were inclusive and recognised the need for different approaches allowed for greater understanding of the intersectionality of disadvantage and social welfare challenges. Whilst funds were more targeted than previously, beneficiaries continued to be represented across different age, gender, faith, and ethnic groups, with a mix of rural and urban services being supported, and continued representation of work with ex-offenders, people facing different mental and physical health conditions, varied geographical locations etc.

Leathersellers' Personal Giving Awards

The Leathersellers' Company held its third annual Personal Giving Appeal, offering match funding from the Leathersellers' Company for any donations made by Liverymen or Freemen throughout the year. The Liverymen were able to vote on how the funds were split, with three charities each receiving a percentage share. The Separated Child Foundation, The River Manchester and Be Free Young Carers were shortlisted from those charities who received a small grant from September – December 2020. A total of £89,465 was distributed between them of which 50% was donated to the Charitable Fund by Liverymen and Freemen, and 50% provided in match funding by the Leathersellers Company.

Support for the Leathersellers' Federation of Schools

Aware of the growing economic impact on lower income families, the Company responded quickly to news of the second lockdown, again providing a grant to provide weekly food hampers, to be delivered to 75 of the most vulnerable families for four weeks.

The Master and several of the Pastmasters also chose to nominate their annual donation from the Fund to a Christmas initiative to provide each of the 600+ families that receive free school meals across the Federation schools with an additional food voucher for the festive period.

Hardship Support for Leatherworkers

With the pandemic having a significant financial impact on many sole traders and small businesses in the leather industry over the last year, it became that clear additional support for individuals within the industry was needed. Leather UK acted swiftly following the announcement of another national lockdown in January 2021 and were granted a fund of £20,000 to distribute as hardship payments to individuals. Working collaboratively with the Leathersellers' Grants Department who supported them with administrative processes, 37 individuals from across the UK received assistance within a matter of weeks early in 2021.

Major grants 2020-21 (over £100,000)

In keeping with previous years, the majority of funding provided from the Leathersellers' Company Charitable Fund was awarded in 2020-21 in grants of between £10,000 - £20,000 to charitable organisations. There are however three long-standing and notable exceptions where a much greater level of support has been provided, all in the field of Education, and so the Trustees wish to provide further detail.

Trustees' report Year to 31 July 2021

Colfe's School - £420,000

Based in South-East London, Colfe's is one of London's oldest schools and has been closely linked with the Leathersellers' Company since the 17th century when the Founder of the school, Abraham Colfe, entrusted the school to the Company in his will. Now an independent school, the Company remains the sole member and appoints a number of Liverymen to the school's governing board to support good governance and ensure the high standards of education are maintained. The grant of £420,000 supports the provision of 'Leathersellers' Scholarships' which enable pupils from local state schools to study for their A-levels at Colfe's and utilise the facilities, extra-curricular activities and careers support during those two years. More information and testimonials are available on the school's website at <https://www.colfes.com/why-colfes/leathersellers-scholarships/>

Leathersellers' Federation of Schools - £174,000

The Leathersellers' Federation of Schools develops the vision of Joseph Prendergast who founded Lewisham's first girls' secondary school in 1890, on a site provided by the Leathersellers' Company. The Federation now consists of five educational entities: Prendergast School, Prendergast Ladywell School, Prendergast Vale School, Prendergast Sixth Form College and Prendergast Primary School all based in South-East London. All state-funded schools, they share a common set of goals and values, and provide excellent academic education and personal support to all pupils. The Leathersellers' Company provides a number of Governors to support good governance of the schools, as well as a range of grants to provide additional opportunities for the approximately 2,700 pupils who attend. In 2020-21 these extras included raising career awareness and aspirations, improving mental health and wellbeing, broadening opportunities to experience sport and focused mentoring. Awards are also provided to school leavers from Prendergast who have demonstrated exceptional academic achievement and/or progress in sixth form, overcome significant adversity and made an exceptional contribution to the life of the school.

Match funding

Funds are made available to both Colfe's School and the Leathersellers' Federation of Schools to provide 'match funding' to encourage the fundraising efforts of pupils and teachers throughout each academic year. In 2020-21 almost £10,000 was raised (and therefore matched) for a variety of causes by pupils at the schools through a range of physical, mental, group and individual challenges. This match funding appears separately to the main grants to the schools as the majority is donated directly to the charities involved. Up to £20,000 is made available annually, so the Trustees hope the schools will be able to increase their activities and maximise this opportunity in years to come.

Student Grants also known as the 'University Exhibitions Scheme' - £241,000

This programme of funding began in 1602, with a historical record of recipients dating up to 1950 available on the Leathersellers' website. Students are invited to apply in an open process, with the possibility of being funded for up to four years of study at university to a maximum of £5,000 per annum. The programme is considerably over-subscribed each year, with applicants prioritised who have overcome considerable disadvantage, demonstrate a need for support they are unable to access elsewhere, and whose studies will have a positive impact on society in the future. Previous recipients of a scholarship at Colfe's or students who attended the Leathersellers' Federation of Schools are encouraged to apply and recent years have seen a growing number supported.

Trustees' report Year to 31 July 2021

Financial Review

Total income for the year was £1,659,000 (2020: £2,033,000). This includes donations of £172,000 (2020: £263,000) and £23,000 (2020: £29,000) restricted income from investments. Grants awarded in the year totalled £3,285,000 (2020: £3,463,000), support costs were £254,000 (2020: £238,000), including governance costs of £11,000 (2020: £11,000), and investment management of funds cost £193,000 (2020: £165,000). The net expenditure for the year, before realised and unrealised gains, was £2,073,000 (2020: £1,833,000).

Any gains and losses incurred on the investment property and the investment portfolios are retained within the endowment funds. For the investment portfolios, net realised and unrealised gains were £12,012,000 (2020: losses of £1,922,000). There was also a £765,000 unrealised gain in the value of the investment property in the year (2020: £565,000).

The trustees confirm that the cash balances and investment funds were managed and invested in accordance with the trust deed, throughout the year.

Financing of Grants

Grants are financed from income derived from rents, dividends and interest, and withdrawals from the investment portfolio. The trustees consider the Charitable Fund has sufficient assets to fulfil its obligations.

Fundraising statement

The charity only fundraises with members of the Leathersellers' Company and grant alumni and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data and never sells data or swaps data with other organisations. The charity manages its own fundraising activities. The charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2021, the charity received no complaints about fundraising activities.

Reserves Policy

The balance sheet shows total funds of £72,911,000 (2020: £62,207,000) comprising permanent endowment funds of £532,000 (2020: £430,000), expendable endowment funds of £71,724,000 (2020: £61,318,000), restricted funds of £6,000 (2020: £3,000), and general funds or 'free' reserves of £649,000 (2020: £456,000).

Although the expendable endowment is a capital fund by nature, it is held on terms which allow the trustees to draw on it to provide additional resources to fund charitable spending which cannot be fully met from income. It is anticipated that capital growth of the expendable endowment will, over the long term, exceed that required to protect it from the effects of inflation. On that basis, it will be appropriate to continue to allocate some of that growth to support expenditure without reducing the impact of the fund for future generations. There is, therefore, no strategic need to hold significant reserves and the general funds are considered sufficient to cover the day to day needs of the charity for liquid funds.

Trustees' report Year to 31 July 2021

Investment Policy and performance

The charity's commitment is to continue long term charitable giving. In order to sustain this objective, the investment strategy is to maximise total return over the long term.

The leasehold land held as investment property is shown at market value as estimated by the trustees as at 31 July 2021 based on professional advice. It is the trustees' long held policy to retain an interest in property within the City of London. This provides a minimum rental income sufficient to provide approximately one fifth of the present commitment to charitable giving.

The equity investment portfolios are independently professionally managed to generate the maximum total return over the long term, consistent with prudent levels of risk. The trustees have agreed an asset allocation benchmark with the investment portfolio manager and investment performance is measured against market indices. The investment portfolio manager's target is to exceed benchmark performance by 1% per annum.

The total return on the equity portfolio, before fees, for the twelve months to 30 June 2021 was 7.1% against a benchmark of 6.8% (30% FTSE All Share, 60% FT World ex UK, 10% FTSE Emerging). Over the three-year period to 30 June 2021 the portfolio returned 34.3% against a benchmark of 25.8%.

Future plans

The charity regularly reviews its support to registered charities through its Charities Grants Committee. Annual reviews with recipients of multi-year grants confirm that the Charitable Fund is assisting organisations in an effective manner.

A budget has been set for Charitable giving of over £3,292,000 for the year to 31 July 2022.

Grant Making Policy and Responsibilities

The recently reviewed grant making policy and the scope and responsibilities of grant making of the Charitable Fund (that took place during 2019-20) continues to provide a defined allocation of the Charitable Fund budget for 2021-22 between the three grant making Committees: Charity, Education and Leather Trade. Each of these Committees holds a defined remit with common grant making criteria and guidelines, each tailored to recognise the bespoke nature of the funding that Committee oversees. These Committees receive reports on the funds they distribute and consider the impact those have in each area to ensure best use of funds. Each Committee is responsible for setting strategic aims for the year ahead and measuring success against those. The trustees receive recommendations and reports from each Committee and provide final approval for any funding decisions. The first year of this approach has yielded some excellent new initiatives as described above, whilst maintaining long term, stable funding relationships at its core. The development of this approach will be reported on annually in the accounts.

Addressing diversity, equality and inclusion

At the close of the 2019-20 financial year, the trustees requested that each grant-making Committee commit to ensuring their work is founded on principles of diversity, equality and inclusion, at strategic and policy level, as well as in practical systems and operations. Each Committee now reviews new funding programmes planned to ensure they are accessible to disproportionately impacted groups and communities, and the Fund recently committed to the IVAR Flexible Funders initiative as a public statement of that intent. The Charity Committee has identified strengths and areas of improvement against the eight areas of good funding practice identified and will report throughout the year on progress against that.

Trustees' report Year to 31 July 2021

Structure, governance and management

The Trust is an unincorporated trust, constituted under a trust deed dated 7 February 1979 and is a registered charity, number 278072.

The Leathersellers' Company fulfils its role as trustee by way of its Court of Assistants (see page 2) and various working committees drawn from members of the Company. The decisions of the trustees are put into effect by the staff of the Charitable Fund and the staff of the Leathersellers' Company. Day to day management is the responsibility of the Clerk to the Company.

The Leathersellers' Company keeps the skill requirements for the Trustee Body under review. In the event that a Court member retires, new members are elected from the Livery in accordance with the constitution of the Leathersellers' Company.

Following their election, newly appointed Court Members are briefed by the Clerk on their role and responsibilities as trustees of the Leathersellers' Company Charitable Fund. In addition, trustees receive a welcome pack which includes a copy of the trust deed, last year's annual report and accounts, and a copy of the Charity Commission's guidance to being a trustee. Periodic briefings and courses are also provided for trustees.

Key management personnel

The key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis are the trustees and the Head of Grants. No trustee remuneration was paid in the year by the charity. The Clerk is remunerated by the Leathersellers' Company. The remuneration of the Head of Grants is reviewed annually by the remuneration sub-committee of the Leathersellers' Company.

Risk management

The trustees have reviewed the major risks to which the charity is exposed relating to the operations of the charity, its investments and its finances. The trustees believe that by examining the specific and general business and operational risks faced by the charity, by ensuring controls exist over the financial systems and safe custody of the charity's assets and investments, and by monitoring the reserves of the charity, they have established effective means to mitigate those risks. The trustees are aware of the charity's continued reliance on services provided by the Leathersellers' Company and have sought and received assurance of their continuance.

The principal risk faced by the charity lies in the performance of investments. The trustees consider the variability of investment returns on the endowment funds to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

Connected charities

The charity is connected to other registered charities by virtue of common control and/or shared management. Details of connected charities and transactions between the charity and its trustees and connected charities are given in Note 14 to the accounts.

Trustees' report Year to 31 July 2021

Statement of trustees' responsibilities


The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Approved by the trustees on 1 December 2021 and signed on their behalf by:



G G Bacon

Master

The Leathersellers' Company (Trustee)

Independent auditor's report 31 July 2021

Independent auditor's report to the Trustees of the Leathersellers' Company Charitable Fund

Opinion

We have audited the accounts of Leathersellers' Company Charitable Fund (the 'charity') for the year ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of 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 requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

Independent auditor's report 31 July 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Independent auditor's report 31 July 2021

Auditor's responsibilities for the audit of the accounts (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011 and the financial reporting framework referred to above; and
- ◆ we understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected financial relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ performed substantive testing of expenditure including testing the authorisation thereof; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Independent auditor's report 31 July 2021

Auditor's responsibilities for the audit of the accounts (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 3 December 2021

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

Statement of financial activities Year to 31 July 2021

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income:							
Donations		3	169	-	-	172	263
Investment income	1	1,464	23	-	-	1,487	1,770
Total income		1,467	192	-	-	1,659	2,033
Expenditure:							
<i>Cost of raising funds</i>							
Investment management costs		-	-	193	-	193	165
<i>Expenditure on charitable activities</i>							
Charitable grant making	2	3,350	189	-	-	3,539	3,701
Total expenditure		3,350	189	193	-	3,732	3,866
Net expenditure before transfers		(1,883)	3	(193)	-	(2,073)	(1,833)
Transfer between funds	9	2,076	-	(2,076)	-	-	-
Net income (expenditure) before gains on investments		193	3	(2,269)	-	(2,073)	(1,833)
Unrealised gains on investment property	5	-	-	765	-	765	565
Net realised and unrealised gains (losses) on investment portfolios	6	-	-	11,910	102	12,012	(1,922)
Net income (expenditure) and net movement in funds		193	3	10,406	102	10,704	(3,190)
Reconciliation of funds:							
Total funds brought forward as at 1 August 2020		456	3	61,318	430	62,207	65,397
Total funds carried forward as at 31 July 2021		649	6	71,724	532	72,911	62,207

Continuing operations

None of the Fund's activities were permanently acquired or discontinued during the above two financial years.

Total recognised gains and losses

All recognised gains and losses are included within the Statement of Financial Activities.

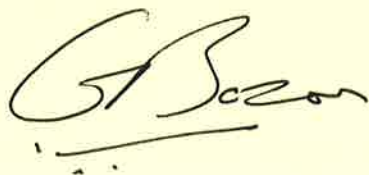
Statement of financial activities Year to 31 July 2020

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2020 £'000
<i>Income:</i>						
Donations		124	139	-	-	263
Investment income	1	1,741	29	-	-	1,770
Total income		1,865	168	-	-	2,033
<i>Expenditure:</i>						
<i>Cost of raising funds</i>						
Investment management costs		-	-	165	-	165
<i>Expenditure on charitable activities</i>						
Charitable grant making	2	3,529	172	-	-	3,701
Total expenditure		3,529	172	165	-	3,866
<i>Net expenditure before transfers</i>		<i>(1,664)</i>	<i>(4)</i>	<i>(165)</i>	<i>-</i>	<i>(1,833)</i>
<i>Transfer between funds</i>	9	<i>1,879</i>	<i>-</i>	<i>(1,879)</i>	<i>-</i>	<i>-</i>
<i>Net income (expenditure) before gains on investments</i>		<i>215</i>	<i>(4)</i>	<i>(2,044)</i>	<i>-</i>	<i>(1,833)</i>
<i>Unrealised gains on investment property</i>	5	<i>-</i>	<i>-</i>	<i>565</i>	<i>-</i>	<i>565</i>
<i>Net realised and unrealised (losses) gains on investment portfolios</i>	6	<i>-</i>	<i>-</i>	<i>(1,802)</i>	<i>(120)</i>	<i>(1,922)</i>
<i>Net income (expenditure) and net movement in funds</i>		<i>215</i>	<i>(4)</i>	<i>(3,281)</i>	<i>(120)</i>	<i>(3,190)</i>
<i>Reconciliation of funds:</i>						
<i>Total funds brought forward as at 1 August 2019</i>		<i>241</i>	<i>7</i>	<i>64,599</i>	<i>550</i>	<i>65,397</i>
Total funds carried forward as at 31 July 2020		456	3	61,318	430	62,207

Balance sheet 31 July 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investment property at market value	5		15,810		15,045
Investment portfolios at market value	6		56,798		47,022
			<u>72,608</u>		<u>62,067</u>
Current assets					
Debtors		68		2	
Cash at bank and in hand		433		402	
		<u>501</u>		<u>404</u>	
Liabilities:					
Creditors: amounts falling due within one year	7	(198)		(264)	
Net current assets			<u>303</u>		<u>140</u>
Total assets less current liabilities			<u>72,911</u>		<u>62,207</u>
The funds of the charity:					
Permanent endowment funds	8		532		430
Expendable endowment funds	9		71,724		61,318
Restricted funds	10		6		3
Unrestricted funds					
General fund			649		456
Total charity funds			<u>72,911</u>		<u>62,207</u>

Approved by the trustees on 1 December 2021 and signed on their behalf by:



G G Bacon

Master

The Leathersellers' Company (Trustee)

Statement of cash flows 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,692)	(3,854)
Cash flows from investing activities:			
Investment income		1,487	1,770
Proceeds from the disposal of investments		13,788	7,127
Purchase of investments		(11,543)	(7,219)
Net cash provided by investing activities		3,732	1,678
Change in cash and cash equivalents in the year		40	(2,176)
Cash and cash equivalents at 1 August 2020	B	515	2,691
Cash and cash equivalents at 31 July 2021	B	555	515

Notes to the statement of cash flows for the year to 31 July 2021.

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	10,704	(3,190)
Adjustments for:		
(Gains) losses on investments	(12,777)	1,357
Investment income	(1,487)	(1,770)
(Increase) / decrease in debtors	(66)	3
Decrease in creditors	(66)	(254)
Net cash used in operating activities	(3,692)	(3,854)

B Analysis of cash and cash equivalents and reconciliation of net funds

	1 August 2020 £'000	Cash flows £'000	31 July 2021 £'000
Cash at bank and in hand	402	31	433
Cash held by investment managers	113	9	122
Total cash and cash equivalents	515	40	555

Principal accounting policies 31 July 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 July 2021 with comparatives presented for the year ended 31 July 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The only material item in the accounts where such judgements and estimates have been made is in respect to estimating the market value of the investment property.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts, including consideration of the impact of Covid-19 on the charity's income, expenditure, reserves and beneficiaries. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 July 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment and property markets (see the investment policy and the risk management sections of the trustees' report for more information).

Principal accounting policies 31 July 2021

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and investment income, including rental income and income from listed investments.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Rental income is recognised on the accruals basis.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on bonds and funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes investment management fees based on a percentage of funds under management.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Charitable grants are made to registered charities and individuals and are one of two types; a single grant or a multi-year grant. All multi-year grants are subject to annual review.

Grants are charged in the year that the trustees approve them and they are communicated to recipients except for the portion of any multi-year grants which are subject to annual review. Provision is made for those grants which are unpaid at the period end. Grants which are subject to review in the year in which they are to be paid are disclosed as financial commitments (see note 12).

Principal accounting policies 31 July 2021

Allocation of support and governance costs

Support costs represent the general management and governance costs which are attributable to the selection of grant recipients, continuing liaison with them on the use of funds, their further needs and, in some cases, maintenance of staged payments.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs, including governance costs, are allocated in proportion to the grants payable.

Fixed asset investments

The charity's investment portfolios comprise basic financial instruments which are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date which for listed investments is the closing quoted market price.

As noted above the main form of financial risk faced by the charity is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning investments and within particular sectors or sub sectors.

Properties held for investment purposes are included in these accounts at open market value. The valuation has been determined by the trustees, with professional assistance.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Principal accounting policies 31 July 2021

Fund structure

Endowment funds

Endowment funds comprise monies which must be held as capital. Permanent endowment funds must be permanently retained by the trustees and cannot be spent as if they were income. Where the trustees have a power of discretion to convert endowed capital into income, the fund is known as an expendable endowment. Income arising from endowment funds is credited to general funds and applied for general purposes, except where the terms of the endowment state that it must be used for specific purposes, when the income is credited to restricted funds.

Restricted funds

Restricted funds comprise monies which were raised for, or where their use is restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General fund

The general fund comprises unrestricted accumulated surpluses and deficits on continuing activities. It is available for use at the discretion of the trustees in furtherance of the charity's objectives.

Pension costs

Contributions in respect of the defined contribution scheme are charged to the statement of financial activities in the year in which they are payable to the scheme.

Contributions in respect of the defined benefit scheme are charged to the statement of financial activities in the year in which they are payable to the scheme, as the scheme is a multi-employer scheme and it is not possible to identify, on a consistent and reasonable basis, the charity's share of the underlying assets and liabilities of the scheme.

Taxation

The Leathersellers' Company Charitable Fund is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable and investing activities, as they fall within the various exemptions available to registered charities.

Notes to the accounts 31 July 2021

1 Investment income

	General fund £'000	Restricted funds £'000	Total 2021 £'000	General fund £'000	Restricted funds £'000	Total 2020 £'000
Rents from UK investment property	592	-	592	705	-	705
Income from investment portfolios	872	23	895	1,033	29	1,062
Bank deposit interest	-	-	-	3	-	3
	1,464	23	1,487	1,741	29	1,770

2 Expenditure on charitable activities: charitable grant making

	Grants payable £'000	Support costs £'000	Total 2021 £'000	Grants payable £'000	Support costs £'000	Total 2020 £'000
Education	1,050	81	1,131	1,238	83	1,321
Leather Associated	141	11	152	86	6	92
Advice	168	13	181	166	11	177
Community Support	244	19	263	164	11	175
Creative Arts	127	10	137	134	9	143
Criminal Justice & Rehabilitation	88	7	95	114	7	121
Disability	234	18	252	298	20	318
Domestic & Sexual Abuse	343	27	370	274	18	292
Employability	92	7	99	100	7	107
Food & Essentials Provision	62	5	67	159	11	170
Heritage & Environment	21	1	22	20	1	21
Homelessness	221	17	238	266	18	284
Health	185	14	199	175	12	187
Recreational & Out of School	287	22	309	342	23	365
Services Support & Rehabilitation	22	2	24	22	1	23
Approved grants not paid	-	-	-	(95)	-	(95)
	3,285	254	3,539	3,463	238	3,701

Notes to the accounts 31 July 2021

2 Expenditure on charitable activities: charitable grant making (continued)

Analysis of grants payable

	2021 No.	2021 £'000	2020 No.	2020 £'000
Grants to institutions:				
Education	37	809	54	1,000
Leather Associated	9	121	10	86
Advice	26	168	21	166
Community Support	53	244	26	164
Creative Arts	20	127	22	135
Criminal Justice & Rehabilitation	10	88	13	114
Disability	35	234	38	298
Domestic & Sexual Abuse	31	343	31	274
Employability	9	92	10	100
Food & Essentials Provision	20	62	63	159
Heritage & Environment	13	21	13	20
Homelessness	33	221	34	265
Health	26	185	37	175
Recreational & Out of School	35	287	38	342
Services Support & Rehabilitation	7	22	8	22
Approved grants not paid	-	-	-	(95)
Grants to institutions - total	364	3,024	418	3,225
Grants to individuals: Education	86	241	87	238
Grants to individuals: Leather hardship	37	20	-	-
	487	3,285	505	3,463

Grants payable to individuals within Education include restricted expenditure of £60,000 (2020: £81,000) in respect of the University Exhibitions fund and £40,000 (2020: £39,000) in respect of the Relief of the Poor fund, detailed in note 10.

Notes to the accounts 31 July 2021

2 Expenditure on charitable activities: charitable grant making (continued)

Grants payable include the following grants of £20,000 or more.

	2021 Total £'000	2020 Total £'000
Advice		
Womens' Work (Derbyshire)	20	20
Community Support		
Baytree Centre	-	20
Separated Child Foundation	34	-
Be Free Young Carers	27	-
Community Solutions North West Ltd	20	20
Creative Arts		
Oily Cart	20	20
Criminal Justice & Rehabilitation		
Switchback	-	20
Key4Life	20	20
Domestic and Sexual Abuse		
Iranian & Kurdish Women's Rights	20	20
My Sister's Place	20	-
Port Talbot and Afan Women's Aid	20	-
Fermanagh Women's Aid	20	-
The River Manchester	27	-
TLC: Talk, Listen, Change	-	20
Pankhurst Trust (incorporating Manchester Women's Aid)	-	20
Education		
Guildhall School Trust	25	25
Colfe's School *	420	428
Fitzwilliam College	-	125
Leathersellers' Federation of Schools	174	182
RCN Foundation	-	20
Employability		
House of St Barnabas	-	25
Food and Essentials Provision		
Giving World	-	20
Health		
Well Child	-	20
The Listening Place	20	-
The UK Sepsis Trust Ltd	20	-
Homelessness		
Kingston Churches Action on Homelessness	-	20
The Amber Foundation	-	20
Wintercomfort for the homeless	-	20
Baron's Court Project	20	20
Park Lodge Project	40	-
The Bond Board	20	-
Leather Associated		
Cockpit Arts	22	22

Notes to the accounts 31 July 2021

University of Northampton	40	-
Recreational		
The Chellington Centre	-	20
BIGKID Foundation	20	20
Ebony Horse Club	-	20
Edmonton Eagles Amateur Boxing	-	20
Total of aggregate grants £20,000 and over	1,069	1,207
Other aggregate grants under £20,000	1,955	2,018
Grants to individuals under the Leathersellers' University Exhibitions Scheme	241	238
Grants to individuals under the Leather hardship Scheme	20	-
	3,285	3,463

Charities marked * above are 'connected charities' as defined by the Charities SORP FRS 102.

3 Support costs

	2021 £'000	2020 £'000
Staff costs (note 4)	179	157
Leathersellers' Company management charge	42	45
Governance costs – Auditor's remuneration	11	11
Other costs	22	25
	254	238

4 Staff costs and remuneration of key management personnel

	2021 £'000	2020 £'000
Staff costs were:		
Salaries (including agency costs)	130	123
Social security costs	11	5
Pension contributions	34	23
Medical insurance	4	6
	179	157

The average number of employees during the year was 3 (2020: 2). 1 employee earned between £60,000 and £70,000 in the year (2020: none) including taxable benefits but excluding employer's pension contributions and employer's national insurance contributions.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (including the Clerk to the Leathersellers' Company) and the Head of Grants.

No trustees received any remuneration or reimbursement of expenses from the charity for their services as a trustee. The Clerk is remunerated by the Leathersellers' Company. The employment costs of key management personnel, including taxable benefits, employer's pension contributions and employer's national insurance contributions, payable by the charity were £86,714 (2020: £48,146).

Notes to the accounts 31 July 2021

5 Investment property

	2021 £'000	2020 £'000
UK long leasehold land and buildings		
Market value at 1 August 2020	15,045	14,480
Unrealised gain	765	565
Market value at 31 July 2021	<u>15,810</u>	<u>15,045</u>
Historic cost of investment properties at 31 July 2021	<u>4,977</u>	<u>4,977</u>

The investment property was valued at its estimated market value by the trustees at 31 July 2021 based on professional advice.

6 Investment portfolios

	2021 £'000	2020 £'000
Investments		
Market value at 1 August 2020	46,909	48,739
Add: Purchases at cost	11,543	7,219
Less: Proceeds from sales	(13,788)	(7,127)
Net realised and unrealised gains (losses)	12,012	(1,922)
Market value of investments at 31 July 2021	<u>56,676</u>	<u>46,909</u>
Cash held by managers at 31 July 2021	122	113
Total market value at 31 July 2021	<u>56,798</u>	<u>47,022</u>
Total historic cost of investments at 31 July 2021	<u>34,535</u>	<u>31,275</u>

The investment portfolios at market value comprises:

UK investments listed on a recognised stock exchange (Rathbones & M&G)	22,205	21,338
Overseas investments listed on a recognised stock exchange (Rathbones)	34,329	25,432
Unquoted investments (Goldman Sachs)	142	139
	<u>56,676</u>	<u>46,909</u>
Cash	122	113
	<u>56,798</u>	<u>47,022</u>

The quoted investments are held:

Directly	34,456	25,036
Indirectly, through unit and investment trusts	22,078	21,734
	<u>56,534</u>	<u>46,770</u>

Notes to the accounts 31 July 2021

6 Investment portfolios (continued)

The following investment holdings were material in the context of the investment portfolios as at 31 July 2021:

	2021 £'000	2021 %	2020 £'000	2020 %
Findlay Park America Fund (Sterling Hedged & Unhedged)	754	1.3	4,138	8.8
S4 Capital plc)	3,054	5.4	2,295	4.9
Rathbone Global Opportunities	6,777	12.0	5,340	11.4

7 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Rents received in advance	127	118
VAT payable and other taxes	22	25
Other creditors	49	121
	198	264

8 Permanent endowment funds

	Balance at 1 August 2020 £'000	Gains and losses £'000	Balance at 31 July 2021 £'000
Ann Elliott and Others Trust	430	102	532

	Balance at 1 August 2019 £'000	Gains and losses £'000	Balance at 31 July 2020 £'000
Ann Elliott and Others Trust	550	(120)	430

The above permanent endowment fund represents 41% of the endowments of the Ann Elliott and Others Trust, transferred under a Charity Commission Scheme dated 6 November 2006. Income arising on the endowment fund is to be used for educational grants to individuals and is therefore credited to restricted funds.

9 Expendable endowment funds

	Balance at 1 August 2020 £'000	Gains and losses £'000	Transfers £'000	Balance at 31 July 2021 £'000
The Leathersellers' Company Funds	61,318	12,482	(2,076)	71,724

Notes to the accounts 31 July 2021

9 Expendable endowment funds (continued)

	<i>Balance at 1 August 2019 £'000</i>	<i>Gains and losses £'000</i>	<i>Transfers £'000</i>	<i>Balance at 31 July 2020 £'000</i>
<i>The Leathersellers' Company Funds</i>	64,599	(1,402)	(1,879)	61,318

The above funds represent an original amount of £15,170, enhanced by an additional amount of £500,000, together with realised and unrealised gains. The trustees have the power to spend the capital; income arising on the funds is credited to unrestricted funds. The transfer of £2,076,000 (2020 - £1,879,000) from the expendable endowment fund to the general fund represents a withdrawal of £2,050,000 (2020 - £1,850,000) from the quoted investment portfolio and realisations of £26,000 (2020 - £29,000) from the unquoted portfolio.

10 Restricted funds

	Balance at 1 August 2020 £'000	Income £'000	Expenditure £'000	Balance at 31 July 2021 £'000
University Exhibitions fund	3	63	(60)	6
Relief of the Poor fund	-	40	(40)	-
Leathersellers' Personal Giving fund	-	89	(89)	-
	3	192	(189)	6

	<i>Balance at 1 August 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Balance at 31 July 2020 £'000</i>
<i>University Exhibitions fund</i>	7	77	(81)	3
<i>Relief of the Poor fund</i>	-	39	(39)	-
<i>Leathersellers' Personal Giving fund</i>	-	52	(52)	-
	7	168	(172)	3

The University Exhibitions fund represents income from the Robert Rogers Educational Foundation and income arising from the endowments of the Ann Elliott and Others Trust. The Relief of the Poor fund represents income arising from the Robert Rogers and Elizabeth Grasvenor Trust. These funds are to be expended in the form of grants to individuals as specified in the original trust deeds.

The Leathersellers' Personal Giving fund represents donations from liverymen and freemen and match funding from The Leathersellers' Company which is expended on specific charities as voted by the livery.

Notes to the accounts 31 July 2021

11 Analysis of net assets between funds

	Permanent endowment funds £'000	Expendable endowment funds £'000	Restricted funds £'000	General fund £'000	Total 2021 £'000
Investment property	-	15,810	-	-	15,810
Investment portfolios	532	55,914	-	352	56,798
Debtors	-	-	-	68	68
Cash at bank and in hand	-	-	6	427	433
Creditors	-	-	-	(198)	(198)
	532	71,724	6	649	72,911

	Permanent endowment funds £'000	Expendable endowment funds £'000	Restricted funds £'000	General fund £'000	Total 2020 £'000
<i>Investment property</i>	-	15,045	-	-	15,045
<i>Investment portfolios</i>	430	46,273	-	319	47,022
<i>Debtors</i>	-	-	-	2	2
<i>Cash at bank and in hand</i>	-	-	3	399	402
<i>Creditors</i>	-	-	-	(264)	(264)
	430	61,318	3	456	62,207

12 Financial commitments

As at 31 July 2021, grant commitments payable from future income are as follows:

	2021 £'000	2020 £'000
Payable in the year ending 31 July:		
2021	-	1,483
2022	1,821	929
2023	1,063	305
2024	640	-
2025	236	-
	3,760	2,717

13 Pension scheme

The Leathersellers' Company operates a defined benefit scheme, "The Leathersellers' Company (1973) Pension Fund", for its former employees, and for the former employees of its associated charities, including the Charitable Fund. The Scheme was closed to new members with effect from 31 December 2002 and has been closed to future accrual from 31 July 2019. New employees are able to join a defined contribution scheme. Accordingly, there were no active members of the defined benefit pension scheme as at 31 July 2021 (2020: none).

This scheme is a multi-employer scheme. It is not possible to identify the charity's share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The scheme has therefore been accounted for as a defined contribution scheme. Two former employees of the charity are pensioner members of the scheme but the charity has made no contributions to the scheme in the year (2020: £nil).

14 Related party transactions

There are two leases between the Leathersellers' Company and the Charitable Fund which have been in place throughout the year. The rent payable to the Company under these leases is a proportion of rents received by the Charitable Fund in the year. The rent receivable is shown net of the rent payable as both relate to the same property. During the year, the rent payable by the Charitable Fund to the Company was £106,000 (2020: £106,000) and the Charitable Fund was charged a management charge of £42,000 (2020: £45,000) by the Company. At the year end, rent prepaid to the Company totalled £15,000 (2020: £15,000).

There was one connected charity (2020: one) which received a grant during the year. £420,000 (2020: £427,500) was awarded to Colfe's School.

Income for the year of £39,000 (2020: £49,000) was receivable for the University Exhibitions fund from The Robert Rogers Educational Foundation (for which the Leathersellers' Company is the sole trustee) and £40,000 (2020: £38,000) from the Robert Rogers and Elizabeth Grasvenor Trust (for which the Leathersellers' Company is the sole trustee).

There were no other related party transactions in the year or prior year. There was a balance due at the year end of £10,000 from the Robert Rogers Educational Foundation as part of the income referred to above (2020: £nil).