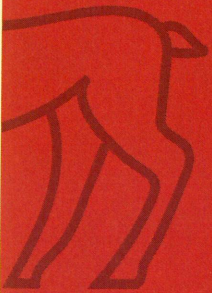


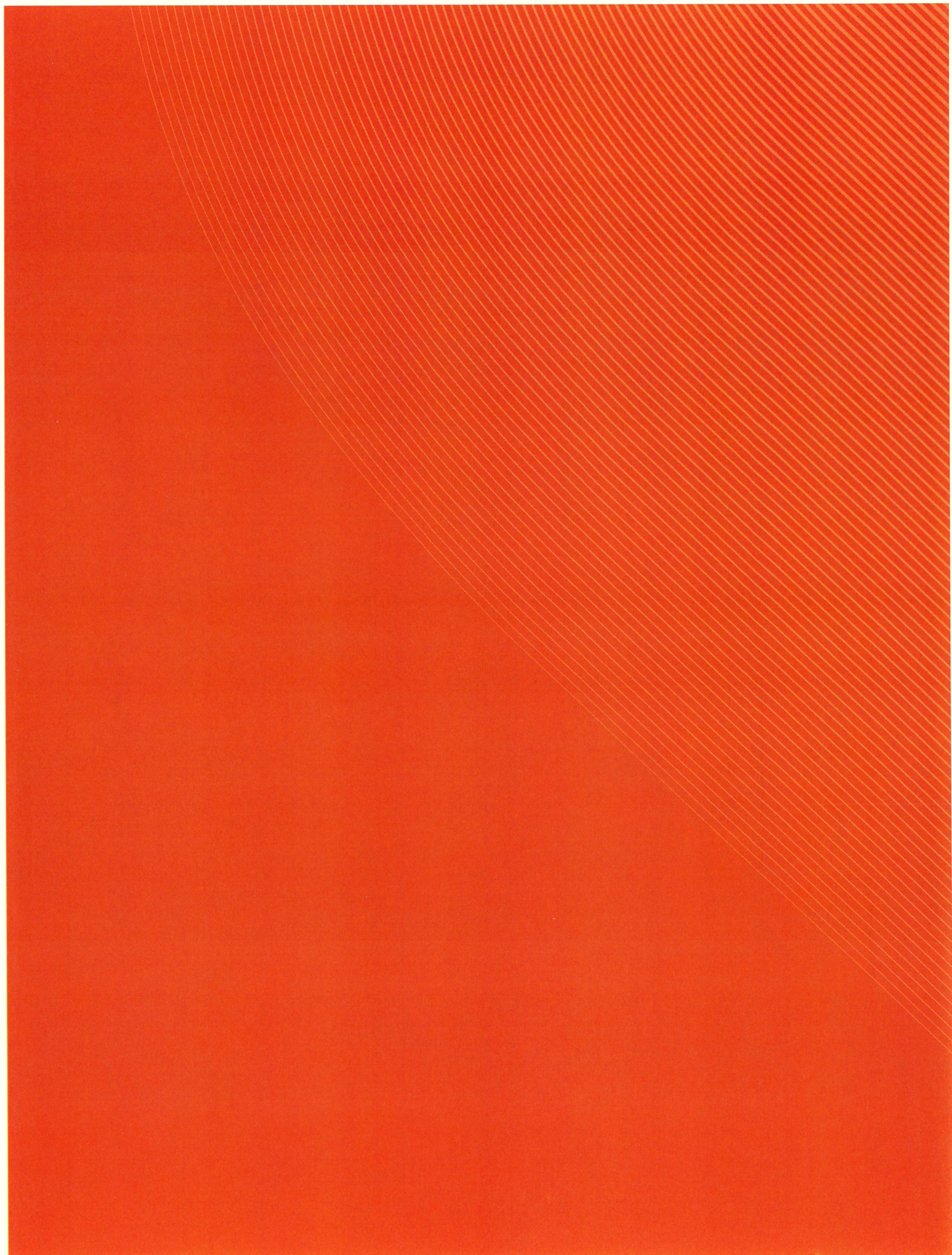


THE
LEATHERSELLERS'
FOUNDATION



ANNUAL REPORT & ACCOUNTS

31 July 2023



Contents

Report

Legal and administrative information	2
Members of the Court of Assistants	3
Trustees' report	4
Independent auditor's report	13

Accounts

Statement of financial activities	16
Balance sheet	18
Statement of cash flows	19
Principal accounting policies	20
Notes to the accounts	23

Legal and Administrative Information

Name	The trustees changed the name of the charity from "The Leathersellers' Company Charitable Fund" to "The Leathersellers' Foundation" on 20 June 2022.
Trustees	<p>The Wardens and Society of the Mystery 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 3.</p> <p>M E Lawrence (Chief Executive & Clerk to the Leathersellers' Company).</p>
Address	7 St Helen's Place, London EC3A 6AB
Auditor	Buzzacott LLP 130 Wood Street, London EC2V 6DL
Principal Banker	HSBC Bank plc 1-3 Bishopsgate, London EC2N 3AQ
Investment Manager	Cazenove Capital / Schroder & Co. Ltd 1 London Wall Place, London EC2Y 5AU
Solicitor	Farrer & Co LLP 66 Lincoln's Inn Fields, London WC2A 3LH

Members of the Court of Assistants

To 19 July 2023

C J Lennon
 M G Williams **†
 Prof. A B Brueggemann **
 A P Rothery †‡

Master
 Second Warden
 Third Warden ^
 Fourth Warden ^

G G Bacon *
 C P Barrow
 M L B Emley
 M P E Pellereau BSc FRICS †
 M W Pebody BA ‡
 His Honour A C L Thornton KC
 I A Russell MBE ††
 A A Barrow *
 M J Bradly Russell FCA
 C C Barrow †
 J A M Muirhead OBE DL ‡
 M D J Dove BA FCA AKC
 R N Tusting MA Cantab
 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
 C T G Williams
 W R J Cock *
 A E Tusting
 M T Berman (from 7 December 2022)

From 19 July 2023

M G Williams
 R N Tusting MA Cantab **†
 J P K Russell **
 N O Preston †

Master
 Second Warden
 Third Warden ^
 Fourth Warden ^

C J Lennon ‡
 C P Barrow
 M L B Emley
 M P E Pellereau BSc FRICS †
 M W Pebody BA
 I A Russell MBE ‡
 A A Barrow *
 M J Bradly Russell FCA
 C C Barrow †
 J A M Muirhead OBE DL ‡
 G G Bacon
 M D J Dove BA FCA AKC
 D H Barrow
 W J C Lang ‡
 R J Chard *
 Dr T J C Fooks FRCGP
 H G Williams
 S M G Williams
 C T G Williams *
 W R J Cock
 A E Tusting ‡
 M T Berman *

^ 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 Trade Committee

‡ Member of the Student Grants Committee

Trustees' Report

The trustees present their annual report and accounts of The Leathersellers' Foundation ("the Foundation") for the year ended 31 July 2023. The accounts have been prepared in accordance with the accounting policies set out on pages 20 to 22 of the attached accounts and comply with the Foundation'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 Leathersellers' Foundation'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 trustees confirm that they have considered the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives.

The objectives of The Foundation are to:

1. Enable individuals and communities by working with charity partners.
2. Foster opportunity and realise potential through education.
3. Support the UK leather trade.

Grants are awarded by the trustees on the recommendation of its Charity, Education and Leather Trade Committees, which include a number of trustees. The trustees set a budget for charitable giving at the start of the financial year, following a yearly review of each grant-making Committee and consideration of the Foundation's investment assets.

Charitable grants are made to registered charities, charitable incorporated organisations, educational institutions 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.

Of grants awarded in 2022–2023, 92% by value were to registered charities or educational establishments and 8% were to individuals.

Each of the giving areas (Charity, Education and Leather Trade) has their own strategy, with work underway to align and bring these into an overarching structure.

Charity giving is led by a five-year strategy from 2022–2027. This commits 80% of new main grant funding to the alleviation of suffering due to, or the prevention of, multiple Adverse Childhood Experiences (ACEs). Successful applicants are able to demonstrate evidence of the effectiveness of their approach, how lived experience informs and improves their work, and how the need for support is affected by location and demographics. The remaining 20% is allocated to a Responsive Fund for single year grants with a new focus decided each year dependant on emerging needs or crisis situations. In 2022–2023 Responsive Grants focused on supporting charities in need of additional support due to the cost-of-living crisis.

Education giving is focused on a core objective of social mobility, with work undertaken since 2021 to clarify the Leathersellers' definition of that term, and build a comprehensive Theory of Change and Impact Framework from that. The majority of funds being distributed in this area are through programmes with long-term partners including Colfe's School and the Leathersellers' Federation of Schools, as well as the flag-ship Student Grants programme that pre-dates the Foundation and has been running since 1604. As such this strategic work has been about ensuring consistency and clarity of objectives and developing areas of focus within the portfolio. This work is ongoing as of year-end 2022–2023, and we hope to complete and share more detail in 2023–2024.

The Foundation's leather strategy considers how best to support both its historic industry and those who use leather as a material. Grant making is ordered into five pillars: Celebrating leather (partnerships and collaborations), business/maker support, leather education, leather industry, and heritage and conservation. This approach is being reviewed for consideration of impact and effectiveness in 2023–24, with a new strategy planned to be shared by summer 2024.

Achievements during the year

2022–2023 saw renewed difficulties for many individuals, families and the organisations working to support them as the cost-of-living dramatically increased across the UK. Once again charities, schools, universities and other partners we work closely with rallied their staff, volunteers and supporters to continue their work in the face of this rising need, despite the diminished value and availability of funding, increased pressure and job insecurity.

With multi-year core funding at its heart, the Foundation continued to help charities and other organisations supporting the most disadvantaged, to ensure that hope, respect and positive change for the future continued across a broad range of approaches. From counselling and crisis interventions to arts and outdoor activity-based means of addressing trauma under the ACE programme; from raising aspirations and confidence through various scholarship and bursary provision, to providing apprenticeship opportunities at tanneries and with skilled leatherworkers, the Foundation's funding programmes honoured our long-term giving principles and we continued our efforts to improve our own approach and processes.

Grants to charities connected to The Leathersellers' Foundation totalled £240,000 (2021-2022: £300,000). Grants to charities or individuals associated with the Leather Trades totalled £217,000 (2021-2022: £187,000).

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.

Grants, analysed by type, as defined on the previous page, are as follows:

	2023		2022	
	£'000	No.	£'000	No.
To charities				
Single	599	113	1,110	207
Multi-year	2,324	117	1,935	143
Charities sub-total	2,923	230	3,045	350
To individuals	273	80	294	91
Total grants awarded in year	3,196	310	3,339	441

Grants analysed by charitable sector are as follows:

	2023		2022	
	£'000	%	£'000	%
Charitable Sector				
Education	956	30	1,024	31
Leather Associated	217	7	187	6
Advice	24	1	150	4
Community Support	373	12	288	9
Creative Arts	70	2	103	3
Criminal Justice & Rehabilitation	43	1	104	3
Disability	66	2	142	4
Domestic & Sexual Abuse	601	19	460	14
Employability	24	1	43	1
Food & Essential Provisions	8	0	62	2
Heritage & Environment	7	0	51	1
Homelessness	224	7	226	7
Health	413	13	241	7
Recreational & Out of School Activities	151	5	224	7
Services Support & Rehabilitation	19	0	34	1
Total	3,196	100	3,339	100

Trustees' Report

Charity Main Grants – Adverse Childhood Experiences

In 2022–2023 the first year of the five-year Adverse Childhood Experiences (ACE) strategy came into play, following a single year pilot in 2021–2022. ACE is a research-informed area of work with a global body of evidence. Research demonstrates widely the lasting impact that traumatic experiences have on children or young people for the rest of their lives, not simply affecting their future behaviour or emotions, but with considerable negative effects on their mental and physical health and educational and career success. People who have experienced six or more ACEs have a life expectancy that is 20 years lower than that of the average population. Multiple ACEs prevent individuals from achieving their potential, in opposition to a core aim of our Foundation's work.

Once again demand for these grants far outstripped supply with 211 applications received in summer 2022 for consideration during the Livery year. Following in-depth assessments and visits involving both Committee members and the Grants team, 24 new multi-year grants were recommended and approved by the Foundation's trustees. The successful charities were able to evidence both the effectiveness of their approach and how lived experience informed and improved their work, as well as the geographic or demographic need for their support. We look forward to supporting them for the next four years, linking them to relevant partners where possible and learning and sharing more about their inspirational work.

Responsive Fund – Cost of Living Crisis

As the cost-of-living crisis forced an estimated 6.6m UK households into fuel poverty, charities fought to keep their doors open, balancing rising costs with increasing demand for their services. Informed by evidence provided by our grantees, the Leathersellers' Foundation launched a Responsive Grants Programme in October 2022, supporting ten of our current grantees with an additional grant of £15,000 each to help address increasing financial strains and growing levels of demand. In line with our IVAR Flexible Funder commitments, we provided funds on an unrestricted basis, empowering charities to use the funds where they knew they would make the most difference for those they support and to improve the sustainability of their teams and organisations.

Small Grants Programme

Our Small Grants Programme recognises the crucial services small charities provide to local communities throughout the UK. This year, we allocated just over £200,000 to support a

broad range of activities delivered by small charities, working to enable individuals and communities. A total of 64 one-off grants were awarded to small charities and Charitable Incorporated Organisations. In line with the approach in recent years, groups with an income of less than £200,000 supporting vulnerable people in areas of high deprivation were eligible to apply for one-year grants. The quantum of these changed however, with the maximum single award amount available increasing from £3,000 to £5,000 based on feedback and understanding that this increase would make a more significant difference to small charities. It was accepted that this would result in fewer but more meaningful grants. Members of the Young Livery continued to play a significant role on this Committee, with both Liverymen and Freemen under the age of 40 involved.

Leathersellers' Personal Giving Awards

The Leathersellers' Company held its fifth annual Personal Giving Appeal, offering match funding from the Leathersellers' Company for any donations made by members of the Livery or staff throughout the year. The Small Grants Committee, made up of Young Livery members, identified five charities through a voting process: Bright Futures UK, Leeds Baby Bank, The Homeless Support Project, The POD and Hope and Vision Communities. Allocation of funds to the five charities was made equally, with a total of £42,500 being raised and matched, resulting in grants of £8,500 to each of the frontline charities working across the UK.

Major grants 2022–23 (over £100,000)

In keeping with previous years, in 2022–23 the majority of funding provided from the Foundation was awarded 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.

Colfe's School – £240,000

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 £240,000 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 – £265,000 (total of a range of grants)

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 response to the educational needs locally, and those identified by the schools leadership, 2022–23 saw the bold step by the governing board of LFS to consult on making the Federation a Multi-Academy Trust. Their purpose in doing so was clear: ensuring sustainable governance for the schools; strengthening education provision by growing the size of the primary phase in coming years to allow for greater collaboration; and providing greater financial autonomy. As the currently agreed proposal stands, the proposed change would involve the Leathersellers' governance support evolving from providing school governors, to the Leathersellers' Company having a role as the Corporate Member of the Trust, and being able to nominate a number of trustees. Whilst there has been regrettable disruption to the work of the schools over the last term, the executive team and governing board demonstrated exceptional professionalism, clarity of focus and purpose in their mission to ensure the best educational outcomes for the children and young people of Lewisham and the surrounding areas. We continue to work closely with them on a range of projects, some of which are featured in depth in the Leathersellers' Annual Review (2022–23 edition available on our website). A highlight of our collaboration was celebrating the completion of the first year of the Leathersellers' Scholarship Programme by welcoming Year 8 students to the Hall in July, where Leathersellers' members and LFS staff joined to congratulate the students and their families.

The transformation in confidence, aspiration and positivity made by these inspiring young people was remarkable.

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 2022–2023 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' – £273,000

This programme of funding begun in 1602 by the Leathersellers' Company and there is a historical record of recipients dating up to 1950 available on the Leathersellers' website. Our flagship Student Grants programme continued into 2022–2023, supporting 79 undergraduate students across a range of courses at 42 different universities across the UK. From school leavers to mature students, those who have yearned for a particular career from an early age, to those transferring skills from another path to a new passion, each and every individual brings their own mix of ambition, determination and tenacity in overcoming a range of challenges to reach where they are now. At a time of rising costs and increasing pressure on individual finances, these grants offer opportunity and accessibility for this exceptional group.

The annual round of recruitment for new students for 2023–2024 looked a little different this year, with the Education Committee choosing to focus on the need amongst care experienced students as our priority for new funding, as well as current/former students of LFS or Colfe's School scholars. Whilst this had the intended effect of improving the efficiency and manageability of the process, demand still outstripped supply with 81 eligible applications submitted, providing a much improved 1 in 3 chance of success. These undergraduate students applied from across the country where their personal circumstances may otherwise curtail their ambitions to study at university and desire to contribute to society globally. With this more targeted approach came a greater knowledge of the

Trustees' Report

particular challenges faced, supported by including external expertise (including lived experience) from barrister and City Councillor Ruby Sayed. Exceptional candidates were again identified, and a review of what can be learned from the new approach trialled is underway. This understanding will enable the Education Committee to decide on continuation or variation of this focus for next year's new applicants.

Added value and collaboration

The Foundation recognises the need and responsibility to champion the work of our grantees, both in helping to raise awareness of their impact with external stakeholders, and through our 'funder plus' offerings. 2022–2023 saw a continued increase of in-kind donations from the Leathersellers' Company in hosting events for grantee partners, welcoming recipients of our student grants to Leathersellers' Hall to make use of our facilities during their revision periods and developing a Mentoring Programme involving both members of the Company and grants programme alumni.

Leathersellers' Mentoring Programme

The career and skills focused mentoring programme pilot ran throughout 2022–2023 with training having been offered for both parties in advance. Our cohort of around 30 mentors comprised both members of the Livery and student grants alumni, and were paired with current students in receipt of grants. One of the successful pairings is featured in the Leathersellers' Annual Review (available on our website).

Equity, Diversity and Inclusion

Each year, the trustees are required to review each grant-making Committee to ensure their work is founded on principles of diversity, equity and inclusion, at strategic and policy level, and in practical terms. Each Committee continues to review established and new funding programmes to ensure that they are accessible to disproportionately impacted groups and communities.

The Foundation has demonstrated open and trusting grant making through the provision of multi-year unrestricted grants and remains publicly committed to the IVAR Flexible Funders initiative. Our progress against the eight areas of good funding practice is monitored by each of the giving Committees', with IVAR providing an external audit of this during 2022–23 which commended our approach and progress to date. We aim to ensure transparency of our grant-giving through publication of our awards on 360Giving.

Measured and objective assessment criteria are in place across our grant programmes to ensure robust and equitable application processes. We analyse the geographical spread of our applications to determine areas where we may need to increase awareness of our grants, and we invite our student grantees to complete an anonymised survey relating to protected characteristics, to inform steps to increase reach and inclusion. All grant application forms are now available in downloadable Word documents to improve accessibility.

Financial Review

Total income for the year was £1,659,000 (2022: £1,937,000). This includes donations of £206,000 (2022: £264,000) and restricted income from investments of £20,000 (2022: £27,000). Grants awarded in the year totalled £3,196,000 (2022: £3,339,000), support costs were £387,000 (2022: £325,000), including governance costs of £16,000 (2022: £12,000); investment management costs were £256,000 (2022: £208,000). Net expenditure for the year, before realised and unrealised investment gains and losses, was £2,180,000 (2022: £1,935,000).

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 £2,855,000 (2022: losses of £4,647,000). There was an unrealised loss of £2,522,000 in the value of the investment property in the year (2022: £3,145,000).

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 Foundation has sufficient assets to fulfil its obligations.

Fundraising statement

The Foundation 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 Foundation aims to protect personal data and never sells data or swaps data with other organisations. The Foundation manages its own fundraising activities. The Foundation undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2023, the Foundation received no complaints about fundraising activities.

Reserves Policy

The balance sheet shows total funds of £67,627,000 (2022: £69,474,000) comprising permanent endowment funds

of £507,000 (2022: £522,000), expendable endowment funds of £66,476,000 (2022: £67,495,000), restricted funds of £5,000 (2022: £5,000), and general funds or 'free' reserves of £639,000 (2022: £1,452,000).

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 Foundation for liquid funds.

Investment Policy and performance

The Foundation'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 2023 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. During July 2022 the trustees changed investment manager to Cazenove Capital, the charity brand of Schroder & Co, and changed the mandate to: –

- A global equity mandate with an ESG focus.
- The aim of the portfolio is "to provide capital growth by investing globally in shares of companies that are managed for the long term and account for their impact on stakeholders".
- The overall objective of the portfolio is to provide £2–3m, in addition to dividends, for grant giving (4–6% p.a. including dividends).

Trustees' Report

The portfolio is run on a segregated basis and will be managed by the same team that run the Schroder Global Sustainable Growth fund.

In the 12 months to 31st July 2023 the total return for the equity portfolio was 7.0% compared with a benchmark of 6.8% (MSCI AC World NR).

Future plans

A budget has been set for Charitable giving of £3.4m for the year to 31 July 2024.

Budget allocations, Grant Making Policy and Responsibilities

The grant making policy, established in 2019–2020, continues to provide a defined allocation of the Foundation budget for 2023–2024 between the three giving Committees: Charity, Education and Leather Trade. Each of these Committees holds a defined remit with common grant making principles agreed that over-arch each area's strategy and work plan. 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. 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.

Mentoring Programme

Following a successful pilot in 2022–2023, the Foundation is continuing the Mentoring Programme in 2023–2024 connecting student grantees with members of the Leathersellers' Company and grantee alumni, to provide professional guidance and networking opportunities. The partnerships formed also allow us to learn directly from our beneficiaries and will increase understanding of the various challenges faced as they progress through their studies and into work. Training will be provided by an external expert in the area.

Leathersellers Alumni Network

Leathersellers' alumni are individuals who were, at some stage in their studies, supported through the Leathersellers' Foundation. We are actively reconnecting and maintaining

these relationships to help measure the future impact of our programmes and to expand our network to foster connections and opportunity.

The Alumni Network continues to grow from strength to strength, with 2022–2023 seeing the growth to 440 active members that we are in direct contact with. 212 of those alumni are part of the LinkedIn group to allow a platform for remote connection allowing engagement with alumni across the globe, and currently funded students across the UK. The next planned growth will focus on reaching out to individuals supported directly and through our partner institutions in the last few decades.

Impact Measurement Development

Alongside development of the Impact Measurement Framework for our Education Portfolio, we are simultaneously developing stronger ways to measure and evaluate the Charity and Leather Portfolios against their agreed aims and objectives also. The aim is provide stronger information to share with other funders and charities, and to inform future decision making. We look forward to sharing that as it develops.

New website

As the portal to all of the Foundation's grant funding programmes, the need has arisen for a re-development of the Leathersellers' website. With accessibility and ease of use for current and future applicants at its core, the team are working to ensure information will be readily available, improving transparency and providing a useful function whilst also illustrating the history and rich stories that accompany the work of the Foundation.

Addressing diversity, equity and inclusion

Increasing the accessibility of our grants rounds is a priority for the Foundation. In all our programmes, we are continually acting on feedback and data received to improve the clarity of our criteria and availability of offline forms. We are responsive to potential applicants and offer support wherever possible before submission. In 2021, this included launching our annual round of recruitment to our long-standing undergraduate student programme with open and accessible webinars both for Federation sixth form students and for any interested parties to attend in January 2022 which saw high attendance figures. We will continue to champion social mobility through our grant making. Recent data collected on protected characteristics will be used to inform our promotion of future grants rounds, in order to improve our reach and inclusion of individuals from all

communities and backgrounds. We will also use data collected on the geographical spread of main grant applications to encourage more applications from organisations operating in areas of high deprivation.

Environmental, social and governance

The Leathersellers' Sustainability Working Group continues to identify ways in which the Foundation and the Leathersellers' Company can adapt and drive change in this area.

Through our leather related grant making and partners, we aim to celebrate the sustainability of UK produced leather as an ethical material choice. Previous research has shown that out of 2,000 adults only 24% were aware that leather is made from hides or skin that is a by-product of the food industry that could otherwise end up in landfill, and half of the respondents wrongly assumed that animals were raised to produce leather from their hide.

As a Flexible Funder, we will continue to demonstrate transparency in our grant making through publication of our grants on 360Giving. In addition, we will share learnings and details of the impact of our unrestricted, multi-year funding model at pan-livery events and remain open to collaboration that may benefit our grantees. A third annual Link & Learn event is scheduled for March 2024, which will bring together charities, funders and others to identify key concerns and explore solutions, and our third annual Alumni Networking event in July will provide further networking opportunities for our past and present grantees.

Trustees of the Foundation sit on each of the three main Committees, which oversee the strategic delivery of our grant-giving. In the coming year we will continue to ensure Committee Chairs are aware of initiatives across the Foundation and ensure overarching cohesion of priorities and values.

Structure, governance and management

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

The Leathersellers' Company fulfils its role as trustee by way of its Court of Assistants (see page 3) and various working

committees drawn from members of the Company. The decisions of the trustees are put into effect by the staff of the Foundation and the staff of the Leathersellers' Company. Day to day management is the responsibility of the Chief Executive & Clerk to the Company who is also a trustee.

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 executive team on their role and responsibilities as members of the Trustee Body of the Leathersellers' Foundation. 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 Foundation in charge of directing and controlling the Foundation and running and operating the Foundation on a day to day basis are the trustees and the Head of Grants. No trustee remuneration was paid in the year by the Foundation. The Chief Executive & 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 Foundation is exposed relating to the operations of the organisation, its investments and its finances. The trustees believe that by examining the specific and general business and operational risks faced by the Foundation, by ensuring controls exist over the financial systems and safe custody of its assets and investments, and by monitoring its reserves, they have established effective means to mitigate those risks. The trustees are aware of the Foundation'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 Foundation lies in the performance of investments. The trustees consider the variability of investment returns on the endowment funds to constitute the Foundation's major financial risk. This is mitigated

Trustees' Report

by retaining expert investment managers and having a diversified investment portfolio.

Connected charities

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

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 Foundation and of the income and expenditure of the Foundation 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 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 (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 Foundation 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 Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 6 December 2023 and signed on their behalf by:



M G Williams

Master

The Leathersellers' Company

(as Trustee)



M E Lawrence (as Trustee)

Chief Executive & Clerk

The Leathersellers' Company

Independent Auditor's Report

Independent auditor's report to the Trustees of the Leathersellers' Foundation

Opinion

We have audited the accounts of Leathersellers' Foundation (the 'Foundation') for the year ended 31 July 2023 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 Foundation's affairs as at 31 July 2023 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 Foundation 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 Foundation'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.

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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going

Independent Auditor's Report

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Foundation 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.

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.

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 Foundation 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 Foundation, including the Charities Act 2011 and the financial reporting framework referred to above; and
- we understood how the Foundation 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 Foundation'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 those charged with governance and management as to actual and potential litigation and claims.

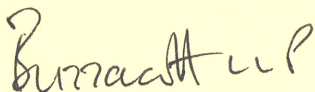
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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 Foundation'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 Foundation'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 Foundation and the Foundation'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: 5 January 2024

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 2023

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
Income:							
Donations		100	106	–	–	206	264
Investment income	1	1,433	20	–	–	1,453	1,673
Total income		1,533	126	–	–	1,659	1,937
Expenditure:							
Cost of raising funds		–	–	256	–	256	208
Investment management costs		–	–	256	–	256	208
Expenditure on charitable activities		–	–	–	–	–	–
Charitable grant making	2	3,457	126	–	–	3,583	3,664
Total expenditure		3,457	126	256	–	3,839	3,872
Net expenditure before transfers		(1,924)	–	(256)	–	(2,180)	(1,935)
Transfer between funds	9	1,111	–	(1,111)	–	–	–
Net expenditure before gains / (losses) on investments		(813)	–	(1,367)	–	(2,180)	(1,935)
Unrealised (losses) / gains on investment property	5	–	–	(2,522)	–	(2,522)	3,145
Net realised and unrealised gains / (losses) on investment portfolios	6	–	–	2,870	(15)	2,855	(4,647)
Net expenditure and net movement in funds		(813)	–	(1,019)	(15)	(1,847)	(3,437)
Reconciliation of funds:							
Total funds brought forward as at 1 August 2022		1,452	5	67,495	522	69,474	72,911
Total funds carried forward as at 31 July 2023		639	5	66,476	507	67,627	69,474

Continuing operations

None of the Foundation'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

Prior Year to 31 July 2022

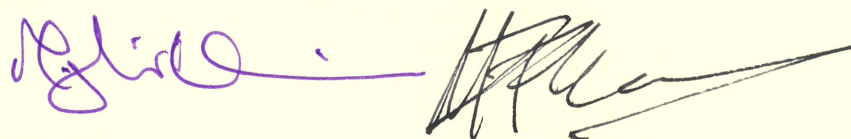
	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2022 £'000
Income:						
Donations		–	264	–	–	264
Investment income	1	1,646	27	–	–	1,673
Total income		1,646	291	–	–	1,937
Expenditure:						
Cost of raising funds		–	–	208	–	208
Investment management costs		–	–	208	–	208
Expenditure on charitable activities		–	–	–	–	–
Charitable grant making	2	3,372	292	–	–	3,664
Total expenditure		3,372	292	208	–	3,872
Net income / (expenditure) before transfers		(1,726)	(1)	(208)	–	(1,935)
Transfer between funds	9	2,529	–	(2,529)	–	–
Net income / (expenditure) before gains on investments		803	(1)	(2,737)	–	(1,935)
Unrealised gains on investment property	5	–	–	3,145	–	3,145
Net realised and unrealised losses on investment portfolios	6	–	–	(4,637)	(10)	(4,647)
Net income / (expenditure) and net movement in funds		803	(1)	(4,229)	(10)	(3,437)
Reconciliation of funds:						
Total funds brought forward as at 1 August 2021		649	6	71,724	532	72,911
Total funds carried forward as at 31 July 2022		1,452	5	67,495	522	69,474

Balance Sheet

Year to 31 July 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Investment property at market value	5		16,433		18,955
Investment portfolios at market value	6		51,056		49,520
			67,489		68,475
Current assets					
Debtors	7	120		231	
Cash at bank and in hand		364		1,079	
		484		1,310	
Liabilities					
Creditors: amounts falling due within one year	8	(346)		(311)	
Net current assets			138		999
Total assets less current liabilities			67,627		69,474
The funds of the Foundation					
Permanent endowment funds	9		507		522
Expendable endowment funds	10		66,476		67,495
Restricted funds	11		5		5
Unrestricted funds					
General fund			639		1,452
Total Foundation funds			67,627		69,474

Approved by the trustees on 6 December 2023 and signed on their behalf by:



M G Williams
Master
 The Leathersellers' Company
 (as Trustee)

M E Lawrence (as Trustee)
Chief Executive & Clerk
 The Leathersellers' Company

Statement of Cash Flows

Year to 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,487)	(3,658)
Cash flows from investing activities:			
Investment income		1,453	1,673
Proceeds from the disposal of investments		15,668	48,941
Purchase of investments		(18,616)	(42,056)
Net cash (used in) / provided by investing activities		(1,495)	8,558
Change in cash and cash equivalents in the year		(4,982)	4,900
Cash and cash equivalents at 1 August 2022	B	5,455	555
Cash and cash equivalents at 31 July 2023	B	473	5,455

Notes to the statement of cash flows for the year to 31 July 2023

A Reconciliation of net movement in funds to net cash used in operating activities	2023 £'000	2022 £'000
Net movement in funds (as per the statement of financial activities)	(1,847)	(3,437)
Adjustments for:		
(Gains) / losses on investments	(333)	1,502
Investment income	(1,453)	(1,673)
Decrease/(increase) in debtors	111	(163)
Increase in creditors	35	113
Net cash used in operating activities	(3,487)	(3,658)

B Analysis of cash and cash equivalents and reconciliation of net funds	1 August 2022 £'000	Cash flows £'000	31 July 2023 £'000
Cash at bank and in hand	1,079	(715)	364
Cash held by investment managers	4,376	(4,267)	109
Total cash and cash equivalents	5,455	(4,982)	473

Principal Accounting Policies

Year to 31 July 2023

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 2023 with comparatives presented for the year ended 31 July 2022.

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 Foundation 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. The trustees have made this assessment in respect of a period of at least one year from the date of approval of these accounts.

The trustees of the Foundation have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Foundation to continue as a going concern. The trustees are of the opinion that the Foundation 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 2024, the most significant areas that affect the carrying value of the assets held by the Foundation 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).

Income recognition

Income is recognised in the period in which the Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation; 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 Foundation 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 Foundation 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 13).

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 Foundation (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 Foundation'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.

Principal Accounting Policies

Year to 31 July 2023

As noted above the main form of financial risk faced by the Foundation 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 Foundation anticipates it will pay to settle the debt.

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 Foundation'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 Foundation's share of the underlying assets and liabilities of the scheme.

Taxation

The Leathersellers' Foundation 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

Year to 31 July 2023

1. Investment income

	General fund £'000	Restricted funds £'000	Total 2023 £'000	General fund £'000	Restricted funds £'000	Total 2022 £'000
Rents from UK investment property	676	–	676	731	–	731
Income from investment portfolios	738	20	758	914	27	941
Bank deposit interest	6	–	6	1	–	1
Investment Interest	13	–	13	–	–	–
	1,433	20	1,453	1,646	27	1,673

2. Expenditure on charitable activities: charitable grant making

	Grants payable £'000	Support costs £'000	Total 2023 £'000	Grants payable £'000	Support costs £'000	Total 2022 £'000
Education	956	116	1,072	1,024	100	1,124
Leather Associated	217	26	243	187	18	205
Advice	24	3	27	150	15	165
Community Support	373	45	418	288	28	316
Creative Arts	70	9	79	103	10	113
Criminal Justice & Rehabilitation	43	5	48	104	10	114
Disability	66	8	74	142	14	156
Domestic & Sexual Abuse	601	73	674	460	45	505
Employability	24	3	27	43	4	47
Food & Essentials Provision	8	1	9	62	6	68
Heritage & Environment	7	1	8	51	5	56
Homelessness	224	27	251	226	22	248
Health	413	50	463	241	23	264
Recreational & Out of School	151	18	169	224	22	246
Services Support & Rehabilitation	19	2	21	34	3	37
	3,196	387	3,583	3,339	325	3,664

Notes to the accounts

Year to 31 July 2023

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

	2023	2023	2022	2022
Analysis of grants payable	No.	£'000	No.	£'000
Grants to institutions:				
Education	29	714	39	750
Leather Associated	16	186	15	167
Advice	6	24	21	150
Community Support	33	373	64	288
Creative Arts	9	70	15	103
Criminal Justice & Rehabilitation	6	43	9	104
Disability	13	66	28	142
Domestic & Sexual Abuse	40	601	40	460
Employability	4	24	9	43
Food & Essentials Provision	2	8	7	62
Heritage & Environment	3	7	4	51
Homelessness	14	224	20	226
Health	33	413	41	241
Recreational & Out of School	18	151	28	224
Services Support & Rehabilitation	4	19	10	34
Grants to institutions – total	230	2,923	350	3,045
Grants to individuals: Education	72	242	86	274
Grants to individuals: Leather hardship	8	31	5	20
	310	3,196	441	3,339

Grants payable to individuals within Education include restricted expenditure of £54,000 (2022: £70,000) in respect of the University Exhibitions fund and £29,000 (2022: £67,000) in respect of the Relief of the Poor fund, detailed in note 11.

2. Expenditure on charitable activities: charitable grant making (continued)	2023	2022
	£'000	£'000
Grants payable include the following grants of £20,000 or more		
Advice		
Womens' Work (Derbyshire)	–	20
Community Support		
Community Solutions North West Ltd	20	20
Valleys Kids	25	25
Tros Gynnal Plant (TGP Cymru)	25	25
Shoreditch Trust	20	20
The Enthusiasm Trust Ltd	22	22
The Violence Intervention Project	20	20
Trelya	25	–
Children Heard and Seen	25	–
The Kids Network	25	–
Young Roots	20	–
Khulisa	35	–
Football Beyond Borders	25	–
Creative Arts		
The Big House	20	20
Criminal Justice & Rehabilitation		
Key4Life	–	20
A band of brothers	20	20
The Hardman Trust	–	39
Domestic and Sexual Abuse		
My Sister's Place	20	20
Port Talbot and Afan Women's Aid	–	20
Fermanagh Women's Aid	20	20
Latin American Women's Aid	20	20
Safeline	25	25
Insight Counselling Coaching and Support	20	20
Moira Anderson Foundation	20	20
Street Teams	20	20
Support After Rape and Sexual Violence Leeds	25	–
Thrive Women's Aid	20	–
Nottingham Central Women's Aid	25	–
CLEAR Emotional Trauma and Therapy Specialists	25	–
The Southmead Project	25	–
A Way Out	25	–
Pandora Project	20	–
Rising Sun Domestic Violence and Abuse Service	25	–
Sister System	25	–
Tender Education and Arts	25	–

Notes to the accounts

Year to 31 July 2023

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

	2023	2022
	£'000	£'000
Grants payable include the following grants of £20,000 or more		
Education		
Colfe's School *	240	300
Leathersellers' Federation of Schools	265	145
Khulisa	–	25
Football Beyond Borders	–	25
RCN Foundation	20	20
The Guildhall School Trust	25	25
Food and Essentials Provision		
World Central Kitchen	–	50
Health (including Mental Health)		
The Listening Place	20	20
Blue Smile	20	20
Noa Girls	23	23
Manchester Action on Street Health	–	25
Women Counselling and Therapy Service	25	25
Open Door Young People's Consultation	25	–
With Kids	25	–
Baobab Centre for Young Survivors in Exile	25	–
Beyond the Horizon Charity	25	–
MASH	25	–
Saffron Sheffield	25	–
Body & Soul	25	–
Home-start Wessex	25	–
Kids Inspire	25	–
Heritage and Environment		
Saint Mary the Virgin Parish Church	–	40
Homelessness		
Baron's Court Project	–	20
The Bond Board	20	20
The National House Project	25	25
Burton upon Trent & District	25	25
Yellow Brick Road Projects	25	–
DENS	20	–
Leather Associated		
Cockpit Arts	25	25
London College of Fashion	27	22
The Leather Conservation Centre	30	20
Recreational		
BIGKID Foundation	20	20
Youth Adventure Trust	22	22
Harrow Club	25	–
Total of aggregate grants £20,000 and over	1,839	1,358
Other aggregate grants under £20,000	1,084	1,687
Grants to individuals under the Leathersellers' University Exhibitions Scheme	242	274
Grants to individuals – Leather Associated Student Grants	31	20
	3,196	3,339

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

3. Support costs	2023	2022
	£'000	£'000
Staff costs (note 4)	263	203
Leathersellers' Company management charge	45	45
Governance costs – Auditor's remuneration	16	12
Other costs	63	65
	387	325

4 Staff costs and remuneration of key management personnel	2023	2022
	£'000	£'000
Staff costs were:		
Salaries (including agency costs)	184	145
Social security costs	22	12
Pension contributions	52	41
Medical insurance	5	5
	263	203

The average number of employees during the year was 4 (2022: 3). 2 employees earned between £60,000 and £70,000 in the year (2022: 1 employee between £60,000 and £70,000) including taxable benefits but excluding employer's pension contributions and employer's national insurance contributions.

The key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation 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 Foundation 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, employer's national insurance contributions and net of statutory maternity recovery, payable by the Foundation were £153,773 (2022: £94,911).

Notes to the accounts

Year to 31 July 2023

5. Investment property	2023 £'000	2022 £'000
UK long leasehold land and buildings		
Market value at 1 August 2022	18,955	15,810
Unrealised (loss) / gain	(2,522)	3,145
Market value at 31 July 2023	16,433	18,955
Historic cost of investment properties at 31 July 2023	4,977	4,977

The investment property was valued at its estimated market value by the trustees at 31 July 2023 based on professional advice.

6. Investment portfolio	2023 £'000	2022 £'000
Investments		
Market value at 1 August 2022	45,144	56,676
Add: Purchases at cost	18,616	42,056
Less: Proceeds from sales	(15,668)	(48,941)
Net realised and unrealised gains / (losses)	2,855	(4,647)
Market value of investments at 31 July 2023	50,947	45,144
Cash held by managers at 31 July 2023	109	4,376
Total market value at 31 July 2023	51,056	49,520
Total historic cost of investments at 31 July 2023	45,632	42,098

The investment portfolios at market value comprises:

UK investments listed on a recognised stock exchange (Cazenove, CCLA & M&G)	8,153	9,085
Overseas investments listed on a recognised stock exchange (Cazenove)	42,719	35,912
Unquoted investments (Goldman Sachs)	75	147
Total investments	50,947	45,144
Cash	109	4,376
	51,056	49,520

The quoted investments are held:

Directly	50,365	44,475
Indirectly, through unit and investment trusts	507	522
	50,872	44,997

6. Investment portfolio (continued)

The following investment holdings were material in the context of the investment portfolios as at 31 July 2023:

	2023 £'000	2023 %	2022 £'000	2022 %
Astrazeneca plc	1,541	3.0	2,277	5.0
Microsoft Corp	4,072	8.0	2,908	6.4
Alphabet Inc.	2,581	5.1	–	–

7. Debtors	2023 £'000	2022 £'000
Amounts owed by the Leathersellers' Company	37	57
Prepayments and accrued income	83	174
	120	231

8. Creditors: amounts falling due within one year	2023 £'000	2022 £'000
Accruals for grants payable	62	77
Amounts owed to the Leathersellers' Company	19	44
Accruals and deferred income	210	158
Taxation and social security	29	32
Other creditors	26	–
	346	311

9. Permanent endowment funds	Balance at 1 August 2022 £'000	Gains and losses £'000	Balance at 31 July 2023 £'000
Ann Elliott and Others Trust	522	(15)	507

	Balance at 1 August 2021 £'000	Gains and losses £'000	Balance at 31 July 2022 £'000
Ann Elliott and Others Trust	532	(10)	522

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.

Notes to the accounts

Year to 31 July 2023

10. Expendable endowment funds	Balance at 1 August 2022 £'000	Expenditure, gains and losses £'000	Transfers £'000	Balance at 31 July 2023 £'000
The Leathersellers' Foundation Funds	67,495	92	(1,111)	66,476

	Balance at 1 August 2021 £'000	Expenditure, gains and losses £'000	Transfers £'000	Balance at 31 July 2022 £'000
The Leathersellers' Foundation Funds	71,724	(1,700)	(2,529)	67,495

The above funds represent an original amount of £15,170,000 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 expenditure recognised in the fund represents the investment management costs of £256,000 (2022: £208,000). The transfer of £1,111,000 (2022: £2,529,000) from the expendable endowment fund to the general fund represents a withdrawal of £1,050,000 (2022: £2,500,000) from the quoted investment portfolio and realisations of £61,000 (2022: £29,000) from the unquoted portfolio.

11. Restricted funds	Balance at 1 August 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 July 2023 £'000
University Exhibitions fund	5	54	(54)	5
Relief of the Poor fund	–	29	(29)	–
Leathersellers' Personal Giving fund	–	43	(43)	–
	5	126	(126)	5

	Balance at 1 August 2021 £'000	Income £'000	Expenditure £'000	Balance at 31 July 2022 £'000
University Exhibitions fund	6	69	(70)	5
Relief of the Poor fund	–	67	(67)	–
Leathersellers' Personal Giving fund	–	85	(85)	–
Jubilee fund	–	70	(70)	–
	6	291	(292)	5

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.

12. Analysis of net assets between funds	Permanent endowment funds £'000	Expendable endowment funds £'000	Restricted funds £'000	General fund £'000	Total 2023 £'000
Investment property	–	16,433	–	–	16,433
Investment portfolios	507	50,043	–	506	51,056
Debtors	–	–	–	120	120
Cash at bank and in hand	–	–	5	359	364
Creditors	–	–	–	(346)	(346)
	507	66,476	5	639	67,627

	Permanent endowment funds £'000	Expendable endowment funds £'000	Restricted funds £'000	General fund £'000	Total 2022 £'000
Investment property	–	18,955	–	–	18,955
Investment portfolios	522	48,540	–	458	49,520
Debtors	–	–	–	231	231
Cash at bank and in hand	–	–	5	1,074	1,079
Creditors	–	–	–	(311)	(311)
	522	67,495	5	1,452	69,474

13. Financial commitments	2023 £'000	2022 £'000
Payable in the year ending 31 July:		
2023	–	2,083
2024	2,449	1,288
2025	1,647	802
2026	859	72
2027	119	–
	5,074	4,245

Notes to the accounts

Year to 31 July 2023

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 Foundation. 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 2023 (2022: none).

This scheme is a multi-employer scheme. It is not possible to identify the Foundation'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 Foundation are pensioner members of the scheme but the Foundation has made no contributions to the scheme in the year (2022: £nil).

14 Related party transactions

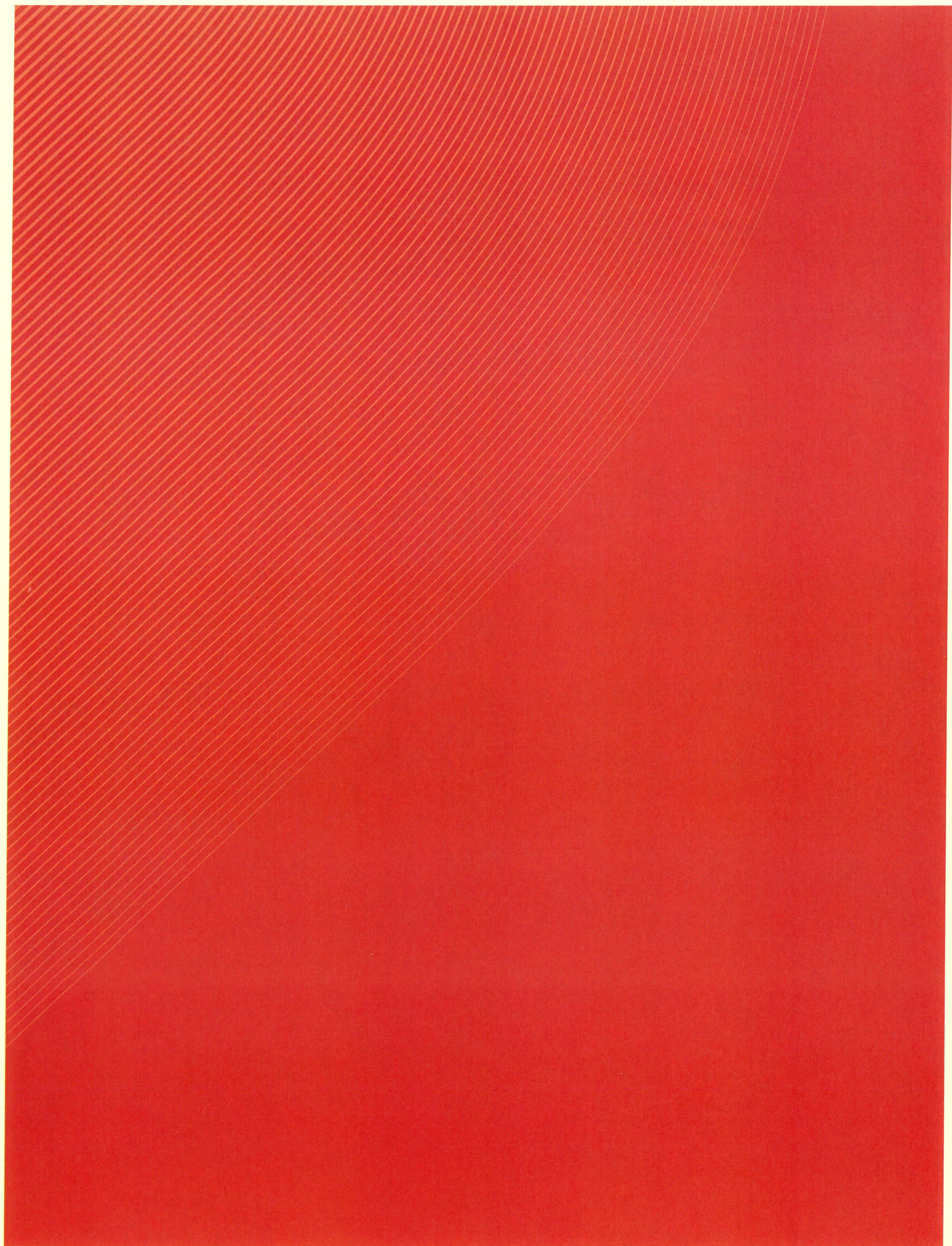
There are two leases between the Leathersellers' Company and the Foundation which have been in place throughout the year. The rent payable to the Company under these leases is a proportion of rents received by the Foundation in the year. The rent receivable is shown net of the rent payable as both relate to the same property. During the year, the rent payable by the Foundation to the Company was £113,000 (2022: £129,000) and the Foundation was charged a management charge of £42,000 (2022: £46,000) by the Company. At the year end, rent prepaid to the Company totalled £15,000 (2022: £15,000).

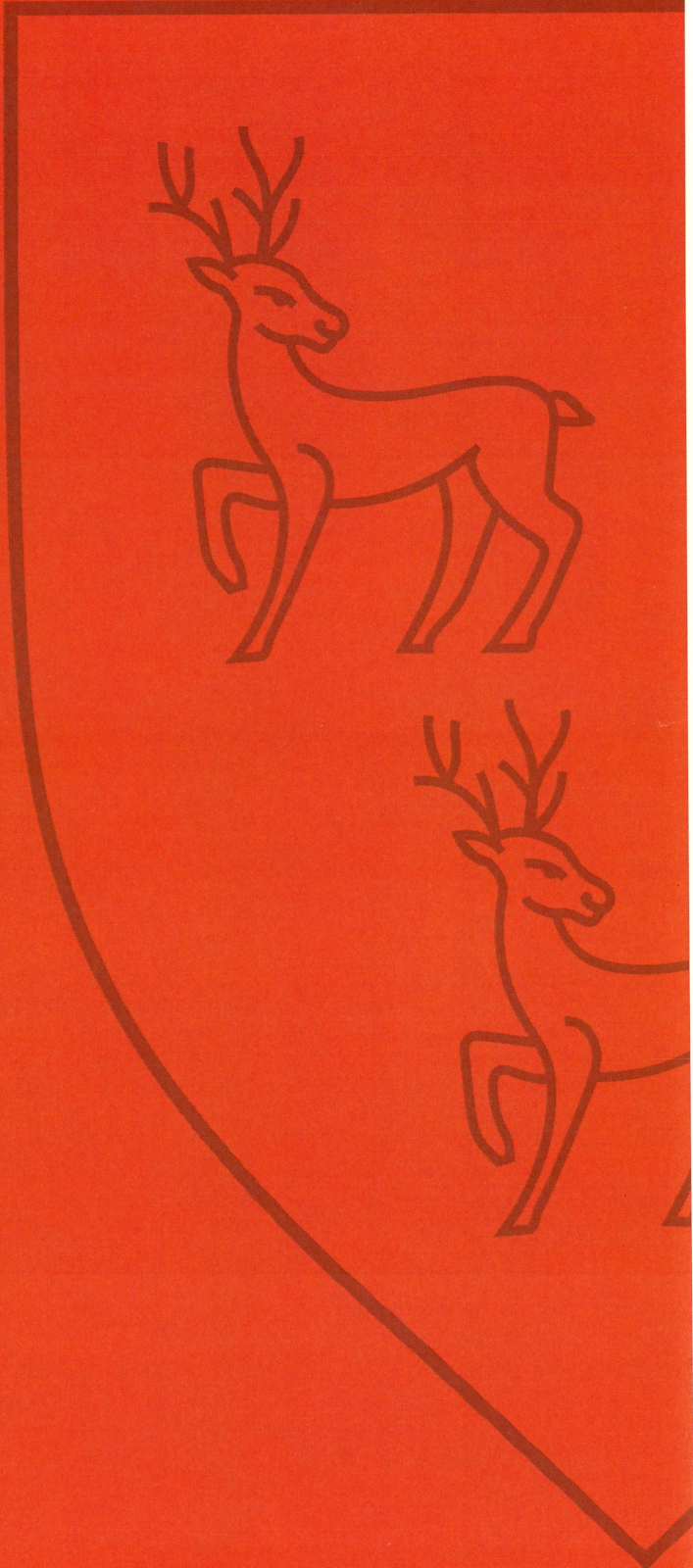
The Leathersellers' Company paid two grants to the Foundation in the year: a matched funding donation of £22,000 (2022: £43,000) and a general grant of £100,000. (In 2022 a donation related to the Jubilee fund of £70,000 was provided to the Foundation which was not repeated in 2023).

There was one connected charity (2022: one) which received a grant during the year: a grant of £240,000 (2022: £300,000) was awarded to Colfe's School.

Income for the year of £34,000 (2022: £53,000) was receivable for the University Exhibitions fund from The Robert Rogers Educational Foundation (for which the Leathersellers' Company is the sole trustee) and £29,000 (2022: £67,000) 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.





The Leathersellers' Foundation
7 St Helen's Place, Bishopsgate
London EC3A 6AB

T: 020 7330 1444
leathersellers.co.uk

Designed by Turnbull Grey