

**The Leathersellers'
Company
Charitable
Fund**

Annual Report and Accounts

31 July 2020

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)</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 100 Old Broad Street London EC2N 1BG</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 22 July 2020

C C Barrow	Master
J A M Muirhead OBE DL *	Second Warden
M T Berman	Third Warden^
W R J Cock *	Fourth Warden

M R Binyon OBE *
 C P Barrow
 N R Pullman
 M L B Emley
 M P E Pellereau BSc FRICS
 M W Pebody BA
 Dr A Watson CBE
 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 *
 G G Bacon *
 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

From 22 July 2020

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

^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 2020

The trustees present their annual report and accounts of The Leathersellers' Company Charitable Fund for the year ended 31 July 2020. The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 20 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 2020, 93% by value were to registered charities or educational establishments and 7% 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.

Achievements during the year

Total grants made during the year amounted to £3,463,000 (2019: £3,235,000). Grants to charities connected to The Leathersellers' Company Charitable Fund totalled £427,500 (2019: £300,000). Grants to charities associated with the Leather Trades totalled £86,000 (2019: £140,000).

Trustees' report Year to 31 July 2020

Achievements during the year (continued)

Further details of individual grants can be found in the 2020 Charitable Fund Report 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:

	2020		2019	
	£'000	No.	£'000	No.
To charities:				
Single	1,285	205	299	129
Multi-year	1,940	213	2,716	215
Charity sub-total	3,225	418	3,015	344
To individuals	238	87	220	96
Total grants awarded in year	3,463	505	3,235	440

Grants analysed by charitable sector were as follows:

	2020		2019	
	£'000	%	£'000	%
Charitable Sector				
Education	1,238	36	1,193	37
Leather Associated	86	2	140	4
Advice	166	5	177	6
Community Support	164	5	167	5
Creative Arts	134	4	114	4
Criminal Justice & Rehabilitation	114	3	134	4
Disability	298	9	311	10
Domestic & Sexual Abuse	274	8	132	4
Employability	100	3	102	3
Food & Essential Provisions	159	5	25	1
Heritage & Environment	20	0	24	1
Homelessness	266	8	125	4
Health	175	5	237	7
Recreational & Out of School Activities	342	10	305	9
Services Support & Rehabilitation	22	0	49	1
Approved grants not paid	(95)	(3)	—	—
Total	3,463	100	3,235	100

As noted above, 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. A study has estimated that approximately 3,850 hours of voluntary time was given in this way.

Covid-19 Stage I Response

2019-20 saw the unprecedented challenges caused by a global pandemic. Aware that the Covid-19 pandemic would exacerbate existing disadvantage in the UK the trustees sought to act in a timely manner with funds available for the final quarter (April – June 2020).

Trustees' report Year to 31 July 2020

Covid-19 Stage I Response (continued)

Utilising unallocated funds, releasing additional funding from our reserves and through generous donations from Liverymen of the Leathersellers' Company, we were able to distribute over £400,000 in urgent funds.

Identified Priority Areas for April – July 2020

- support to the homeless or those at risk of becoming homeless
- provision of food and essential supplies
- domestic violence crisis support
- those providing nursing care to very vulnerable patients

Additional main grants – supporting existing multi-year grantees

Additional unrestricted funding was provided to 18 current grantee charities that are providing vital services in the priority areas identified above. These were proactively identified from circa 170 currently funded charities, with grants decided in consideration of loss of fundraising income due to the pandemic, increased need and impact of their work. These are noted in the charitable fund report (available at <https://leathersellers.co.uk/publications/>).

Emergency Funds – Small Grants

The trustees opened an emergency Small Grants Programme in April 2020 which had an unprecedented national response with over 420 applications submitted from all four nations of the UK. Further applications were also considered that had been submitted to the London Community Response Fund (LCRF), a collaborative single application portal with over 60 charitable funders involved. Emergency grants were provided to 78 frontline charities across the UK.

Leathersellers' Personal Giving Awards

The Leathersellers' Company held the second year of its Personal Giving Appeal, offering match funding from the Leathersellers' Company for any donations made by Liverymen or Freemen throughout the year.

The Livery were able to vote on how the funds were split, with three charities each receiving a percentage share. The Alice Charity, the London Soup Kitchen and Parenting Special Children were shortlisted from 79 charities who received a small grant as part of the emergency programme explained above. These charities, as well as hundreds of others around the UK worked on the frontline of the pandemic response, providing vulnerable individuals and families with food and essentials, advice and support throughout the current crisis, and beyond. A total of £51,850 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

When lockdown was announced, the Federation Schools quickly adapted their teaching to offer those pupils not attending school physically the chance to learn online. Realising that those with little or no access to technology would be excluded from this, the trustees agreed additional funds to alleviate this. The trustees provided an additional grant to the school to provide laptops and Wi-Fi access for three months for at least 110 of the pupils most in need and unable to access other support. With essential needs a top priority, a grant was also agreed to provide weekly Free School Meal Hampers for ten weeks, to be delivered to 75 of the most vulnerable families.

Trustees' report Year to 31 July 2020

Financial Review

Total income for the year was £2,033,000 (2019: £2,094,000). This includes donations of £263,000 (2019: £114,000) and £29,000 (2019: £28,000) restricted income from investments. Grants awarded in the year totalled £3,463,000 (2019: £3,235,000), support costs were £238,000 (2019: £203,000), including governance costs of £11,000 (2019: £16,000), and investment management of funds cost £165,000 (2019: £193,000). The net expenditure for the year, before realised and unrealised gains, was £1,833,000 (2019: £1,537,000).

Any gains and losses incurred on the investment property and the investment portfolios are retained within the endowment funds. For the listed investment portfolios, net realised and unrealised losses were £1,922,000 (2019: gains of £1,263,000). There was also a £565,000 unrealised gain in the value of the investment property in the year (2019: £nil).

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 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 2020, the charity received no complaints about fundraising activities.

Reserves Policy

The balance sheet shows total funds of £62,207,000 (2019: £65,397,000) comprising permanent endowment funds of £430,000 (2019: £550,000), expendable endowment funds of £61,318,000 (2019: £64,599,000), restricted funds of £3,000 (2019: £7,000), and general funds or 'free' reserves of £456,000 (2019: £241,000).

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 2020

Financial Review (continued)

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 2020 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 2020 was 0.9% against a benchmark of -3.7% (50% FTSE All Share, 40% FT World ex UK, 10% FTSE Emerging). Over the three-year period to 30 June 2020 the portfolio returned 16.4% against a benchmark of 10.9%.

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 around £3,300,000 for the year to 31 July 2021.

Review of Grant Making Policy and Responsibilities

The trustees undertook a review of grant making policy and the scope and responsibilities of their grant making during 2019-20. This resulted in the defined allocation of the Charitable Fund budget for 2020-21 between the three grant making Committees: Charity, Education and Leather Trade. Each of these Committees now 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 will receive reports on the funds they distribute and consider the impact those have in each area to ensure best use of funds. Each Committee will also each be responsible for setting strategic aims for the year ahead and measuring success against those. The trustees will receive recommendations and reports from each Committee and provide final approval for any funding decisions. The development of this approach will be reported on annually in the accounts.

Addressing diversity, equality and inclusion

The trustees have 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 will review whether their current funding programmes are accessible to disproportionately impacted groups and communities, and ensure these considerations are made when formulating new programmes.

Trustees' report Year to 31 July 2020

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, the Clerk of the Leathersellers' Company 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 2020

Statement of trustees' responsibilities

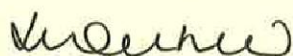
The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 [02/12/20] and signed on their behalf by:



J A M Muirhead OBE DL

Master

The Leathersellers' Company (Trustee)

Independent auditor's report 31 July 2020

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 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- ◆ the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Independent auditor's report 31 July 2020

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report 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' annual 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 Trustees' responsibilities statement, 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 2020

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

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: *9 December 2020*

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 2020

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income:							
Donations		124	139	-	-	263	114
Investment income	1	1,741	29	-	-	1,770	1,980
Total income		1,865	168	-	-	2,033	2,094
Expenditure:							
<i>Cost of raising funds</i>							
Investment management costs		-	-	165	-	165	193
<i>Expenditure on charitable activities</i>							
Charitable grant making	2	3,529	172	-	-	3,701	3,438
Total expenditure		3,529	172	165	-	3,866	3,631
Net expenditure before transfers		(1,664)	(4)	(165)	-	(1,833)	(1,537)
Transfer between funds	9	1,879	-	(1,879)	-	-	-
Net income (expenditure) before gains on investments		215	(4)	(2,044)	-	(1,833)	(1,537)
Unrealised gains on investment property	5	-	-	565	-	565	-
Net realised and unrealised (losses) gains on investment portfolios	6	-	-	(1,802)	(120)	(1,922)	1,263
Net income (expenditure) and net movement in funds		215	(4)	(3,281)	(120)	(3,190)	(274)
Reconciliation of funds:							
Total funds brought forward as at 1 August 2019		241	7	64,599	550	65,397	65,671
Total funds carried forward as at 31 July 2020		456	3	61,318	430	62,207	65,397

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.

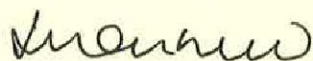
Statement of financial activities Year to 31 July 2019

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2019 £'000
<i>Income:</i>						
Donations		-	114	-	-	114
Investment income	1	1,952	28	-	-	1,980
Total income		1,952	142	-	-	2,094
<i>Expenditure:</i>						
<i>Cost of raising funds</i>						
Investment management costs		-	-	193	-	193
<i>Expenditure on charitable activities</i>						
Charitable grant making	2	3,298	140	-	-	3,438
Total expenditure		3,298	140	193	-	3,631
Net (expenditure) income before transfers		(1,346)	2	(193)	-	(1,537)
Transfer between funds	9	1,409	-	(1,409)	-	-
Net income (expenditure) before gains on investments		63	2	(1,602)	-	(1,537)
Net realised and unrealised gains (losses) on investment portfolios	6	-	-	1,276	(13)	1,263
Net income (expenditure) and net movement in funds		63	2	(326)	(13)	(274)
<i>Reconciliation of funds:</i>						
Total funds brought forward as at 1 August 2018		178	5	64,925	563	65,671
Total funds carried forward as at 31 July 2019		241	7	64,599	550	65,397

Balance sheet 31 July 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Investment property at market value	5		15,045		14,480
Investment portfolios at market value	6		47,022		50,932
			<u>62,067</u>		<u>65,412</u>
Current assets					
Debtors		2		5	
Cash at bank and in hand		<u>402</u>		<u>498</u>	
		404		503	
Liabilities:					
Creditors: amounts falling due within one year	7	<u>(264)</u>		<u>(518)</u>	
Net current assets (liabilities)			<u>140</u>		<u>(15)</u>
Total assets less current liabilities			<u><u>62,207</u></u>		<u><u>65,397</u></u>
The funds of the charity:					
Permanent endowment funds	8		430		550
Expendable endowment funds	9		61,318		64,599
Restricted funds	10		3		7
Unrestricted funds					
General fund			<u>456</u>		<u>241</u>
Total charity funds			<u><u>62,207</u></u>		<u><u>65,397</u></u>

Approved by the trustees on [02/12/20.] and signed on their behalf by:



J A M Muirhead OBE DL

Master

The Leathersellers' Company (Trustee)

Statement of cash flows 31 July 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in operating activities	A	(3,854)	(3,357)
Cash flows from investing activities:			
Investment income		1,770	1,980
Proceeds from the disposal of investments		7,127	6,979
Purchase of investments		(7,219)	(3,276)
Net cash provided by investing activities		1,678	5,683
Change in cash and cash equivalents in the year		(2,176)	2,326
Cash and cash equivalents at 1 August 2019	B	2,691	365
Cash and cash equivalents at 31 July 2020	B	515	2,691

Notes to the statement of cash flows for the year to 31 July 2020.

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

	2020 £'000	2019 £'000
Net movement in funds (as per the statement of financial activities)	(3,190)	(274)
Adjustments for:		
Losses (gains) on investments	1,357	(1,263)
Investment income	(1,770)	(1,980)
Decrease in debtors	3	-
(Decrease) increase in creditors	(254)	160
Net cash used in operating activities	(3,854)	(3,357)

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

	1 August 2019 £'000	Cash flows £'000	31 July 2020 £'000
Cash at bank and in hand	498	(96)	402
Cash held by investment managers	2,193	(2,080)	113
Total cash and cash equivalents	2,691	(2,176)	515

Principal accounting policies 31 July 2020

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 2020 with comparatives presented for the year ended 31 July 2019.

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 2021, 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 2020

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 2020

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 2020

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 2020

1 Investment income

	General fund £'000	Restricted funds £'000	Total 2020 £'000	General fund £'000	Restricted funds £'000	Total 2019 £'000
Rents from UK investment property	705	-	705	609	-	609
Income from investment portfolios	1,033	29	1,062	1,341	28	1,369
Bank deposit interest	3	-	3	2	-	2
	1,741	29	1,770	1,952	28	1,980

2 Expenditure on charitable activities: charitable grant making

	Grants payable £'000	Support costs £'000	Total 2020 £'000	Grants payable £'000	Support costs £'000	Total 2019 £'000
Education	1,238	83	1,321	1,194	75	1,269
Leather Associated	86	6	92	140	9	149
Advice	166	11	177	177	11	188
Community Support	164	11	175	167	10	177
Creative Arts	134	9	143	114	7	121
Criminal Justice & Rehabilitation	114	7	121	133	8	141
Disability	298	20	318	311	20	331
Domestic & Sexual Abuse	274	18	292	132	8	140
Employability	100	7	107	102	7	109
Food & Essentials Provision	159	11	170	25	2	27
Heritage & Environment	20	1	21	24	1	25
Homelessness	266	18	284	125	8	133
Health	175	12	187	237	15	252
Recreational & Out of School	342	23	365	305	19	324
Services Support & Rehabilitation	22	1	23	49	3	52
Approved grants not paid	(95)	-	(95)	-	-	-
2020 Total funds	3,463	238	3,701	3,235	203	3,438

Notes to the accounts 31 July 2020

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

Analysis of grants payable

	2020 No.	2020 £'000	2019 No.	2019 £'000
Grants to institutions:				
Education	54	1,000	61	973
Leather Associated	10	86	12	140
Advice	21	166	19	177
Community Support	26	164	29	167
Creative Arts	22	135	20	114
Criminal Justice & Rehabilitation	13	114	12	134
Disability	38	298	44	311
Domestic & Sexual Abuse	31	274	11	132
Employability	10	100	11	102
Food & Essentials Provision	63	159	5	25
Heritage & Environment	13	20	15	24
Homelessness	34	265	14	125
Health	37	175	48	237
Recreational & Out of School	38	342	37	305
Services Support & Rehabilitation	8	22	6	49
Approved grants not paid	-	(95)	-	-
Grants to institutions - total	418	3,225	344	3,015
Grants to individuals: education	87	238	96	220
	505	3,463	440	3,235

Grants payable to individuals within Education includes restricted expenditure of £120,000 (2019: £110,000).

Notes to the accounts 31 July 2020

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

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

	2020 Total £'000	2019 Total £'000
Advice		
Womens' Work (Derbyshire)	20	20
Community Support		
Baytree Centre	20	20
Community Solutions North West Ltd	20	-
Creative Arts		
Oily Cart	20	20
Criminal Justice & Rehabilitation		
Fine Cell	-	20
Switchback	20	20
Key4Life	20	20
Disability		
Response Organisation	-	25
Domestic and Sexual Abuse		
Iranian & Kurdish Women's Rights	20	20
TLC: Talk, Listen, Change	20	-
Pankhurst Trust (incorporating Manchester Women's Aid)	20	-
Education		
Guildhall School Trust	25	25
Colfe's School *	428	300
Fitzwilliam College	125	125
Leathersellers' Federation of Schools	182	152
St Catherine's College	-	125
RCN Foundation	20	20
Employability		
House of St Barnabas	25	25
Food and Essentials Provision		
Giving World	20	-
Health		
Guys Gifts	-	30
Well Child	20	-
Homelessness		
Kingston Churches Action on Homelessness	20	-
The Amber Foundation	20	-
Wintercomfort for the homeless	20	-
Baron's Court Project	20	20
Leather Associated		
Cockpit Arts	22	22
University of Northampton	-	51
Recreational		
The Chellington Centre	20	-
BIGKID Foundation	20	-

Notes to the accounts 31 July 2020

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

	2020 Total £'000	2019 Total £'000
Ebony Horse Club	20	20
Edmonton Eagles Amateur Boxing	20	20
Brunswick Club	-	25
Total of aggregate grants £20,000 and over	1,207	1,125
Other aggregate grants under £20,000	2,018	1,890
Grants to individuals under the Leathersellers' University Exhibitions Scheme	238	220
	3,463	3,235

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

3 Support costs

	2020 £'000	2019 £'000
Staff costs (note 4)	157	162
Leathersellers' Company Management charge	45	44
Governance costs – Auditor's remuneration	11	16
VAT recovery re prior year costs	-	(40)
Other costs	25	21
	238	203

4 Staff costs and remuneration of key management personnel

	2020 £'000	2019 £'000
Staff costs were:		
Salaries	123	117
Social security costs	5	11
Pension contributions	23	32
Medical insurance	6	2
	157	162

The average number of employees during the year was 2 (2019: 3). No employee earned between £60,000 and £70,000 in the year (2019: one) 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, 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 were £48,146 (2019 - £63,025).

Notes to the accounts 31 July 2020

5 Investment property

	2020 £'000	2019 £'000
UK long leasehold land and buildings		
Market value at 1 August 2019	14,480	14,480
Unrealised gain	565	-
Market value at 31 July 2020	15,045	14,480
Historic cost of investment properties at 31 July 2020	4,977	4,977

The investment property was valued at its estimated market value by the trustees at 31 July 2020 based on professional advice.

6 Investment portfolios

	2020 £'000	2019 £'000
Investments		
Market value at 1 August 2019	48,739	51,179
Add: Purchases at cost	7,219	3,276
Less: Proceeds from sales	(7,127)	(6,979)
Net realised and unrealised (losses) gains	(1,922)	1,263
Market value of investments at 31 July 2020	46,909	48,739
Cash held by managers at 31 July 2020	113	2,193
Total market value at 31 July 2020	47,022	50,932
Total historic cost of investments at 31 July 2020	31,275	28,619
The investment portfolios at market value comprises:		
UK investments listed on a recognised stock exchange (Rathbones & M&G)	21,338	23,915
Overseas investments listed on a recognised stock exchange (Rathbones)	25,432	24,643
Unquoted investments (Goldman Sachs)	139	181
	46,909	48,739
Cash	113	2,193
	47,022	50,932
The quoted investments are held:		
Directly	25,036	22,440
Indirectly, through unit and investment trusts	21,734	26,118
	46,770	48,558

Notes to the accounts 31 July 2020

6 Investment portfolios (continued)

The following investment holdings were material in the context of the investment portfolios as at 31 July 2020:

	2020 £'000	2020 %	2019 £'000	2019 %
Findlay Park America Fund (Sterling Hedged & Unhedged)	4,138	8.8	4,328	8.5
iShares S&P 500 (US)	-	-	3,531	6.9
Rathbone Global Opportunities	5,340	11.4	4,648	9.1

7 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Rents received in advance	118	136
VAT payable and other taxes	25	159
Other creditors	121	223
	264	518

8 Permanent endowment funds

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

	Balance at 1 August 2018 £'000	Gains and losses £'000	Balance at 31 July 2019 £'000
Ann Elliott and Others Trust	563	(13)	550

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

Notes to the accounts 31 July 2020

9 Expendable endowment funds (continued)

	<i>Balance at 1 August 2018 £'000</i>	<i>Gains and losses £'000</i>	<i>Transfers £'000</i>	<i>Balance at 31 July 2019 £'000</i>
<i>The Leathersellers' Company Funds</i>	<i>64,925</i>	<i>1,083</i>	<i>(1,409)</i>	<i>64,599</i>

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 £1,879,000 (2019 - £1,409,000) from the expendable endowment fund to the general fund represents a withdrawal of £1,850,000 (2019 - £1,350,000) from the quoted investment portfolio and realisations of £29,000 (2019 - £59,000) from the unquoted portfolio.

10 Restricted funds

	<i>Balance at 1 August 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Balance at 31 July 2020 £'000</i>
University Exhibitions fund	7	116	(120)	3
Leathersellers' Personal Giving fund	-	52	(52)	-
	7	168	(172)	3

	<i>Balance at 1 August 2018 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Balance at 31 July 2019 £'000</i>
<i>University Exhibitions fund</i>	<i>5</i>	<i>112</i>	<i>(110)</i>	<i>7</i>
<i>Leathersellers' Personal Giving fund</i>	<i>-</i>	<i>30</i>	<i>(30)</i>	<i>-</i>
	5	142	(140)	7

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, 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 2020

11 Analysis of net assets between funds

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

	Permanent endowment funds £'000	Expendable endowment funds £'000	Restricted funds £'000	General fund £'000	Total 2019 £'000
<i>Investment property</i>	-	14,480	-	-	14,480
<i>Investment portfolios</i>	550	50,119	-	263	50,932
<i>Debtors</i>	-	-	-	5	5
<i>Cash at bank and in hand</i>	-	-	7	491	498
<i>Creditors</i>	-	-	-	(518)	(518)
	550	64,599	7	241	65,397

12 Financial commitments

As at 31 July 2020, grant commitments payable from future income are as follows:

	2020 £'000	2019 £'000
Payable in the year ending 31 July:		
2020	-	2,212
2021	1,483	1,380
2022	929	652
2023	305	-
	2,717	4,244

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 persons in current employment in the pension scheme as at 31 July 2020 (2019: 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 (2019: £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 (2019: £107,000) and the Charitable Fund was charged a management charge of £45,000 (2019: £44,000) by the Company. At the year end, rent prepaid to the Company totalled £15,000 (2019: £15,000).

There was one connected charity (2019: one) which received a grant during the year. £427,500 (2019: £300,000) was awarded to Colfe's School.

Income for the year of £49,000 (2019: £47,000) was received for the University Exhibitions fund from The Robert Rogers Educational Foundation (for which the Leathersellers' Company is the sole trustee) and of £38,000 (2019: £37,000) from the Robert Rogers & 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 and no outstanding balances due to or from connected charities as at 31 July 2020 or 31 July 2019.