



# The Leathersellers' Foundation

ANNUAL REPORT AND ACCOUNTS  
**31 JULY 2022**

CHARITY COMMISSION  
REGISTRATION NUMBER  
278072

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## Legal and Administrative Information

<b>Name</b>	The Trustees changed the name of the charity from “The Leathersellers’ Company Charitable Fund” to “ <b>The Leathersellers’ Foundation</b> ” on 20 June 2022.
<b>Trustees</b>	<p>The Wardens and Society of the Mistery or Art of the Leathersellers of the City of London (‘the Leathersellers’ Company’).</p> <p>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 &amp; Clerk to the Leathersellers’ Company).</p>
<b>Address</b>	7 St Helen’s Place, London EC3A 6AB
<b>Auditor</b>	Buzzacott LLP 130 Wood Street, London EC2V 6DL
<b>Principal Banker</b>	HSBC Bank plc 1–3 Bishopsgate, London EC2N 3AQ
<b>Investment Manager</b>	Cazenove Capital / Schroder & Co. Ltd 1 London Wall Place, London EC2Y 5AU
<b>Solicitor</b>	Farrer & Co LLP 66 Lincoln’s Inn Fields, London WC2A 3LH

# Members of the Court of Assistants

\* Members of the Charity Committee

† Members of the Education Committee

‡ Members of the Leather Trade Committee

## To 20 July 2022

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G G Bacon	Master
C J Lennon *†‡	Second Warden
J D G Curtis *†	Third Warden (ex-officio)
C J V Williams †‡	Fourth Warden (ex-officio)

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

## From 6 October 2021

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C T G Williams ‡  
W R J Cock \*

## From 9 March 2022

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A E Tusting ‡

## From 20 July 2022

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C J Lennon	Master
M G Williams *†‡	Second Warden
Prof. A B Brueggemann *‡	Third Warden (ex-officio)
A P Rothery †‡	Fourth Warden (ex-officio)

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 †  
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 ‡  
J A M Muirhead OBE DL ‡

## From 7 December 2022

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M T Berman

# Trustees' Report

The trustees present their annual report and accounts of The Leathersellers' Foundation ("the Foundation") for the year ended 31 July 2022. Formerly The Leathersellers' Company Charitable Fund, the charity changed name to The Leathersellers' Foundation on 20 June 2022. 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 Trust's aims and objectives.

The objectives of The Foundation are to:

1. Enable individuals and communities through charity partners.
2. Foster opportunity and realise potential through education.
3. Support a sustainable UK leather industry.

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.

Charitable grants are made to registered charities, charitable incorporated organisations 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. If awarded a multi-year grant, a charity cannot then apply for additional funding, unless expressly invited. Of grants awarded in 2022, 91% by value were to registered charities or educational establishments and 9% were to individuals.

The Foundation's charitable giving is led by a five-year strategy. This commits 80% of non-committed main grant funding to the alleviation of suffering caused by 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.

The Foundation has a longstanding commitment to supporting education as a means to improve social mobility through: historic relationships and responsibilities to Colfe's School and the Leathersellers' Federation of Schools; the Foundation's flagship Student Grants Programme, the origins of which date back to grants made by the Leathersellers' Company in 1602; and further education partnerships across England. The Foundation will continue to improve understanding and best practice in the field of social mobility, commissioning research and working with other funders to achieve the best possible evidence-based outcomes.

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.

## Achievements during the year

2021 – 22 proved another challenging year for charities across the UK as they grappled with the opportunities and challenges of reduced Covid restrictions, whilst trying to balance the continued health risks and ensuring the flexibility and learning gained during the pandemic remained central to their operation. The Leathersellers' Foundation's main charitable funding programmes stayed true to our giving principles of providing and honouring multi-year commitments, supporting charities transforming the lives of those most disadvantaged in their communities and continuing our efforts to improve our own approach and processes.

Total grants made during the year amounted to £3,339,000 (2021: £3,285,000). Grants to charities connected to The Leathersellers' Foundation totalled £300,000 (2021: £420,000). Grants to charities or individuals associated with the Leather Trades totalled £187,000 (2021: £141,000).

Further details of main and small grants awarded to organisations can be found both online at [www.threesixtygiving.org](http://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:

	2022		2021	
	£'000	No.	£'000	No.
<b>To charities:</b>				
Single	1,110	207	656	187
Multi-year	1,935	143	2,368	177
Charities sub-total	3,045	350	3,024	364
<b>To individuals</b>	294	91	261	123
<b>Total grants awarded in year</b>	<b>3,339</b>	<b>441</b>	<b>3,285</b>	<b>487</b>

Grants analysed by charitable sector are as follows:

	2022		2021	
	£'000	%	£'000	%
<b>Charitable Sector</b>				
Education	1,024	31	1,050	32
Leather Associated	187	6	141	4
Advice	150	4	168	5
Community Support	288	9	244	7
Creative Arts	103	3	127	4
Criminal Justice & Rehabilitation	104	3	88	3
Disability	142	4	234	7
Domestic & Sexual Abuse	460	14	343	10
Employability	43	1	92	3
Food & Essential Provisions	62	2	62	2
Heritage & Environment	51	1	21	1
Homelessness	226	7	221	7
Health	241	7	185	6
Recreational & Out of School Activities	224	7	287	8
Services Support & Rehabilitation	34	1	22	1
<b>Total</b>	<b>3,339</b>	<b>100</b>	<b>3,285</b>	<b>100</b>

## Trustees' Report

### Charity Main Grants – unrestricted multi-year funding

The Foundation recognises that charities are best placed to identify the needs of their local community and we are committed to providing our grantees with the flexibility required to respond at pace. Our unrestricted, multi-year funding model empowers organisations to direct funds where it will make the most difference to the lives of their beneficiaries. In addition, it provides security so that organisations can invest in their teams, supporting staff retention and effective service delivery.

Regular communication and end of year reporting provides assurance that funds are being used responsibly and effectively. Following positive grantee feedback and sector wide conversations, the Foundation will continue to share details of the added value unrestricted, multi-year funding it provides and encourage fellow funders to consider this approach where appropriate.

### Charity Main Grants – new funding

Following a strategic review of our approach to charitable giving, the Foundation's Main Grants Programme targeted support to charities preventing and mitigating the impact of Adverse Childhood Experiences (ACEs). This is a research informed area of work with a global body of evidence, showing that the lasting impact of traumatic experiences as a child or young person has a considerable negative effect on mental and physical health, and educational and career success. As well as preventing individuals from achieving their potential, in opposition to a core aim of the Foundation's work, people who have experienced six or more ACEs have a life expectancy of 20 years less than the average population.

This year, 21 new multi-year grants were provided to support charities with ACEs as their core focus, in addition to over £1.1m of pre-committed funding to charities in receipt of multi-year grants. The Foundation's trustees are committed to supporting charities aiming to prevent or mitigate the impact of ACEs for a minimum of five years.

### Jubilee Fund

In 2022 Queen Elizabeth II became the first British monarch to celebrate a platinum jubilee following 70 years of service. In recognition of this, the Foundation chose to run a celebratory jubilee funding programme to further support our existing charity partners and highlight the remarkable impact they have on their local communities. The total of £210,000 represented three contributions of £70,000 from the Foundation, the Charity Committee's budget and a donation received from the Leathersellers' Company, to celebrate this historic occasion. 23

new single year grants were provided to existing charity partners who made an excellent case to explain how an additional one-off sum would help them to rebuild, strengthen and/or adapt their services using their learning from the last two years. A dedicated celebratory report is provided on our website.

### Small Grants Programme

Our Small Grants Programme re-opened in September 2021 with a budget of £204,000. As in 2020, registered charities with an income of less than £200,000, supporting vulnerable people in areas of high deprivation were eligible to apply for one-year grants of up to £3,000. 14 meetings were held across 10 months, to support timely consideration of applications, with members of the Young Livery playing a significant role in making recommendations to the Foundation's trustees. In total, 117 small grants were awarded across the UK at an average of £1,745. Charities providing community support received 29% of funding, which was deemed reflective of local need following the pandemic.

### Leathersellers' Personal Giving Awards

The Leathersellers' Company held its fourth annual Personal Giving Appeal, offering match funding from the Leathersellers' Company for any donations made by Liverymen or Freemen throughout the year. For the first time, staff were also invited to donate to the initiative. The Small Grants Committee, made up of Young Livery members, identified four charities through a voting process, The Hardman Trust, SHE UK, The Feast Youth Project, and Connors Toy Library. Allocation of funds to the four charities was proportionate to the number of votes received. In all, a total of £85,618 was raised, following donations from 73 members of the Livery, Freedom, and staff of the Leathersellers' Company and Foundation.

### Leather Grants

In 2021 – 22, the Foundation developed a grant giving strategy for leather related funding, which identified five connecting pillars, namely Celebrating Leather, Business/ Maker Support, Leather Education, The Leather Industry, and Conservation and Heritage. The Foundation provided £187,000 in leather related grants in the year.

Our partnerships continue to support students in learning leather working and tannery related skills through four key partners – University of Northampton, London College of Fashion, De Montfort University and the Royal College of Art. This year, development of a new collaborative initiative to source and redistribute surplus leather was agreed by the Leather Trade

Committee, in line with our support of the leather industry and our commitment to sustainability.

To encourage and support individuals with their training and educational journey, we have established a new Tannery Apprenticeship Programme. This year, two apprentices will have the opportunity to start their professional careers in leather at two UK based tanneries, with the support of our funding. In addition, we will support three individuals with leather apprenticeships in other areas of the leather industry, including bookmaking and saddlery.

#### **Major grants 2021 – 22 (over £100,000)**

In keeping with previous years, in 2021 – 22 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 – £300,000**

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 £300,000 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 [www.colfes.com/why-colfes/leathersellers-scholarships/](http://www.colfes.com/why-colfes/leathersellers-scholarships/)

#### **Leathersellers' Federation of Schools – £145,000**

The Leathersellers' Federation of Schools develops the vision of Joseph Prendergast who founded Lewisham's first girls' secondary school in 1890, on a site provided by the Leathersellers' Company. The Federation now consists of five educational entities: Prendergast School, Prendergast Ladywell School, Prendergast Vale School, Prendergast Sixth Form College and Prendergast Primary School all based in South-East London. All state-funded schools, they share a common set of goals and values, and provide excellent academic education and personal support to all pupils. The Leathersellers' Company provides a number of Governors to support good governance

of the schools, as well as a range of grants to provide additional opportunities for the approximately 2,700 pupils who attend. In 2021 – 22 these extras included raising career awareness and aspirations, improving mental health and wellbeing, broadening opportunities to experience sport and focused mentoring. Awards are also provided to school leavers from Prendergast who have demonstrated exceptional academic achievement and/or progress in sixth form, overcome significant adversity and made an exceptional contribution to the life of the school.

#### **Match funding**

Funds are made available to both Colfe's School and the Leathersellers' Federation of Schools to provide 'match funding' to encourage the fundraising efforts of pupils and teachers throughout each academic year. In 2021 – 22 almost £17,000 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' – £274,000**

This programme of funding was begun in 1602 by the Leathersellers' Company and there is a historical record of recipients dating up to 1950 available on the Leathersellers' website. Students are invited to apply in an open process, with the possibility of being funded for up to four years of study at university to a maximum of £5,000 per annum. In this year, we supported 86 students undertaking a range of courses at 51 different universities across the UK. The need for these funds continues to grow, with almost 600 applications received from undergraduate students across the country whose personal circumstances may otherwise curtail their ambitions to study at university level and give back to society globally.

#### **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.

In 2021 – 22 we welcomed recipients of our student grants to the Leathersellers' Hall to make use of our facilities during their revision periods and began developing a Mentoring Programme supported by the Liverymen of the Leathersellers' Company.

## Trustees' Report

For our charity partners, we delivered a Link and Learn event, which included a bid writing workshop from the Foundation for Social Improvement, and a Funders Panel featuring guest speakers from the Garfield Weston Foundation, Henry Smith Charity and Trusthouse Foundation alongside a well-received 'ask the funder' session.

In 2022, we hosted our first Alumni event at Leathersellers' Hall, bringing together past and present grantees, with members of the Leathersellers' Company and their guests. The event provided an opportunity to network and to discuss potential collaboration, celebrating the work conducted with the Foundation's support and beyond. In addition, we hosted a tailored event for the staff and teachers of the Leathersellers' Federation of Schools, providing the first opportunity since the pandemic to come together to thank all Federation staff for their work during an extremely difficult period, and to underline our ongoing commitment and details of our historic and deep-rooted connection.

### 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 to the IVAR Flexible Funders initiative. Our progress against the eight areas of good funding practice is monitored by the Foundation's Charity Committee and we 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.

### Social mobility

The grants provided by the Foundation in the area of Education exceeded £1 million in 2021 – 22, with a significant portion dedicated to supporting social mobility for young people who find that their personal circumstances may prevent them from pursuing their academic ambitions. This year, our trustees took steps to better understand how we can best drive social mobility through our grant-giving and support. We increased engagement with our student grantees to learn from their perspectives and feedback, and the Foundation's trustees commissioned a rapid landscape Review by specialist consultants, Better Purpose. The Review provided essential context of different approaches to social mobility and consideration of their varied impact. To encourage collaboration and discussion in this area, the Foundation delivered a Social Mobility Event at the Leathersellers' Hall in June 2022 for grantees, fellow funders and other key stakeholders, where findings of the Review and proposed actions were considered. The Review is available on our website.

### Conversational Reporting

With a view to reducing the burden on our multi-year charity grantees, we piloted conversational reporting. This replaces a written report with a one-hour conversation with a senior member of the Foundation's Grants Team. 45 charities commencing year 2 or 3 of their grant period were invited to take part, with 38 accepting. The pilot demonstrated that conversational reporting adequately allowed for necessary checks on impact, expenditure, and operations, whilst adding value in terms of relationship building and achieving a broader understanding of challenges facing the charity. All 38 charities participating in the pilot noted that they preferred this approach to written reporting.

### Financial Review

Total income for the year was £1,937,000 (2021: £1,659,000). This includes donations of £264,000 (2021: £172,000) and restricted income from investments of £27,000 (2021: £23,000). Grants awarded in the year totalled £3,339,000 (2021: £3,285,000), support costs were £325,000 (2021: £254,000), including governance costs of £12,000 (2021: £11,000), and investment management costs of £208,000 (2021: £193,000). Net expenditure for the year, before realised and unrealised investment gains, was £1,935,000 (2021: £2,073,000).

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 losses were £4,647,000 (2021: gains of £12,012,000). There was

an unrealised gain of £3,145,000 in the value of the investment property in the year (2021: £765,000).

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 2022, the Foundation received no complaints about fundraising activities.

#### **Reserves Policy**

The balance sheet shows total funds of £69,474,000 (2021: £72,911,000) comprising permanent endowment funds of £522,000 (2021: £532,000), expendable endowment funds of £67,495,000 (2021: £71,724,000), restricted funds of £5,000 (2021: £6,000), and general funds or 'free' reserves of £1,452,000 (2021: £649,000).

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 2022 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. plus dividends).

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

Prior to the change, the total return for the equity portfolio was -9.6% for the twelve months to 30 June 2022 before fees. This compared with a benchmark of -2.4% (30% FTSE All Share, 60% FT World ex UK, 10% FTSE Emerging). Over the three-year period to 30 June 2022 the portfolio returned 177% against a benchmark of 16.5%. As noted above, the portfolio was moved to Cazenove Capital during July 2022 and appropriate performance statistics will be reported from August 2022 in future annual reports.

# Trustees' Report

## Future plans

A budget has been set for Charitable giving of over £3m for the year to 31 July 2023.

## Budget allocations

In developing our five year charitable giving strategy, the need to provide multi-year grants in a focused area was recognised. In addition, following the past two years of the pandemic, the flexibility to respond to emerging need was also crucial. Due to these factors the Leathersellers' Foundation's charitable giving will focus approximately 80% through a Main Grants Programme, 20% through a Responsive Fund, with an additional £200,000 made available for Small Grants of up to £5,000.

## Social mobility

The landscape review conducted by Better Purpose, enabled the Foundation to explore and improve the effectiveness of our grant-making. The next step is to examine what difference our grant making in Education is making for individuals. In doing so, we will be able to take an informed approach to our future grant making, and better support our grantees during their funding period, and in preparation for their future.

## Mentoring Programme

In 2022 – 23, the Foundation will launch a Mentoring Programme, connecting student grantees with members of the Leathersellers' Company and grantee alumni, to provide professional guidance and networking opportunities. The partnerships formed will also allow us to learn directly from our beneficiaries and will increase understanding of the various challenges our grantees face as they progress through their academic career and into work. Training will be provided by an expert in the area of mentor/ mentee relationships for all taking part.

## Supporting the leather industry

In 2022, the Leathersellers' Foundation is launching a collaborative initiative with Abbey England and our funded educational institutions to make use of surplus leather, aiming to increase the use and understanding of working with leather. In addition, members of our Leather Trade Committee will support the development of a 'Leather Toolkit', which will be used to raise awareness of the sustainability and benefit of working with leather, which we aim to make widely available to educational institutions and industry stakeholders.

As a 'funder plus' offering for recipients of leather related grants, we will encourage use of the Leathersellers' Hall to increase the

profile of our past and present grantees and their work, the first of which was the hosting of an event celebrating the work of the Creative Dimensions Trust in September 2022.

## Grant Making Policy and Responsibilities

The grant making policy, that was established during 2019 – 20, continues to provide a defined allocation of the Foundation budget for 2022 – 23 between the three grant making Committees: Charity, Education and Leather Trade. Each of these Committees holds a defined remit with common grant making criteria and guidelines, each tailored to recognise the bespoke nature of the funding that Committee oversees. These Committees receive reports on the funds they distribute and consider the impact those have in each area to ensure best use of funds. Each Committee is responsible for setting strategic aims for the year ahead and measuring success against those. The trustees receive recommendations and reports from each Committee and provide final approval for any funding decisions. This approach has yielded some excellent new initiatives as described above, whilst maintaining long term, stable funding relationships at its core. The development of this approach will be reported on annually in the accounts.

## Addressing diversity, 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.

This year, we were pleased to initiate a programme where our student grantees can access Leathersellers' Hall for revision space during the university holidays. We will seek to review and address barriers to this during the year. The Foundation's Mentoring

Programme will begin with 18 partnerships, the progress of which will be monitored by the Foundation's trustees throughout the year.

### **Environmental, social and governance**

The Foundation has established a Sustainability Working Group, to identify ways in which the Foundation and the Leathersellers' Company can adapt and drive change in this area. The Group will meet regularly throughout the year and make recommendations to the Foundation's respective Committees on improvements and initiatives that may be adopted.

Through our leather related grant making, we aim to dissuade assumptions that UK leather is a negative choice of material as it relates to environmental impact. 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. The upcoming Leather Toolkit will aim to deliver this information in an effective and accessible way.

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 Link and Learn event is scheduled for March 2023, which will bring together charities, funders and others to identify key concerns and explore solutions, and we also aim to host our second alumni event to 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 increase the frequency that Committee Chairs meet to ensure overarching cohesion of priorities and values across these areas.

### **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 Chief Executive & Clerk 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 by retaining expert investment managers and having a diversified investment portfolio.

## Trustees' Report

### 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

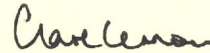
The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 7 December 2022 and signed on their behalf by:



**C J Lennon**  
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 2022 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 2022 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.

# Independent Auditor's Report

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 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.

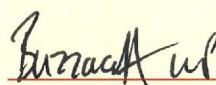
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the 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: 16/12/22

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 2022

	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
<b>Income:</b>							
Donations		–	264	–	–	264	172
Investment income	1	1,646	27	–	–	1,673	1,487
<b>Total income</b>		<b>1,646</b>	<b>291</b>	<b>–</b>	<b>–</b>	<b>1,937</b>	<b>1,659</b>
<b>Expenditure:</b>							
<i>Cost of raising funds</i>							
Investment management costs		–	–	208	–	208	193
<i>Expenditure on charitable activities</i>							
Charitable grant making	2	3,372	292	–	–	3,664	3,539
<b>Total expenditure</b>		<b>3,372</b>	<b>292</b>	<b>208</b>	<b>–</b>	<b>3,872</b>	<b>3,732</b>
<b>Net expenditure before transfers</b>		<b>(1,726)</b>	<b>(1)</b>	<b>(208)</b>	<b>–</b>	<b>(1,935)</b>	<b>(2,073)</b>
Transfer between funds	9	2,529	–	2,529	–	–	–
<b>Net income / (expenditure) before gains on investments</b>		<b>803</b>	<b>(1)</b>	<b>(2,737)</b>	<b>–</b>	<b>(1,935)</b>	<b>(2,073)</b>
Unrealised gains on investment property	5	–	–	3,145	–	3,145	765
Net realised and unrealised (losses) / gains on investment portfolios	6	–	–	(4,637)	(10)	(4,647)	12,012
<b>Net income / (expenditure) and net movement in funds</b>		<b>803</b>	<b>(1)</b>	<b>(4,229)</b>	<b>(10)</b>	<b>(3,437)</b>	<b>10,704</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward as at 1 August 2021		649	6	71,724	532	72,911	62,207
<b>Total funds carried forward as at 31 July 2022</b>		<b>1,452</b>	<b>5</b>	<b>67,495</b>	<b>522</b>	<b>69,474</b>	<b>72,911</b>

## 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

Prior Year to 31 July 2021

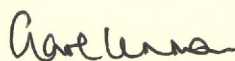
	Notes	General fund £'000	Restricted funds £'000	Expendable endowment funds £'000	Permanent endowment funds £'000	Total funds 2021 £'000
<b>Income:</b>						
Donations		3	169	–	–	172
Investment income	1	1,464	23	–	–	1,487
<b>Total income</b>		<b>1,467</b>	<b>192</b>	<b>–</b>	<b>–</b>	<b>1,659</b>
<b>Expenditure: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

# Balance Sheet

Year to 31 July 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Investment property at market value	5		18,955		15,810
Investment portfolios at market value	6		49,520		56,798
			68,475		72,608
<b>Current assets</b>					
Debtors		231		68	
Cash at bank and in hand		1,079		433	
		1,310		501	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	7	(311)		(198)	
Net current assets			999		303
Total assets less current liabilities			69,474		72,911
<b>The funds of the Foundation:</b>					
Permanent endowment funds	8		522		532
Expendable endowment funds	9		67,495		71,724
Restricted funds	10		5		6
Unrestricted funds					
General fund			1,452		649
Total Foundation funds			69,474		72,911

Approved by the trustees on 7 December 2022 and signed on their behalf by:



**C J Lennon**  
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 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(3,658)	(3,692)
<b>Cash flows from investing activities:</b>			
Investment income		1,673	1,487
Proceeds from the disposal of investments		48,941	13,788
Purchase of investments		(42,056)	(11,543)
Net cash provided by investing activities		8,558	3,732
Change in cash and cash equivalents in the year		4,900	40
Cash and cash equivalents at 1 August 2021	B	555	515
Cash and cash equivalents at 31 July 2022	B	5,455	555

## Notes to the statement of cash flows for the year to 31 July 2022.

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

	2022 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	(3,437)	10,704
<b>Adjustments for:</b>		
Losses / (Gains) on investments	1,502	(12,777)
Investment income	(1,673)	(1,487)
(Increase) in debtors	(163)	(66)
Increase / (decrease) in creditors	113	(66)
Net cash used in operating activities	(3,658)	(3,692)

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

	1 August 2021 £'000	Cash Flows £0,000	31 July 2022 £'000
Cash at bank and in hand	433	646	1,079
Cash held by investment managers	122	4,254	4,376
Total cash and cash equivalents	555	4,900	5,455

# Principal Accounting Policies

Year to 31 July 2022

**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 2022 with comparatives presented for the year ended 31 July 2021. 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 to 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 2023, 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 12).

### **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.

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.

# Principal Accounting Policies

Year to 31 July 2022

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 2022

## 1. Investment income

	<b>General fund £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2022 £'000</b>	General fund £'000	Restricted funds £'000	Total 2021 £'000
Rents from UK investment property	731	–	731	592	–	592
Income from investment portfolios	914	27	941	872	23	895
Bank deposit interest	1	–	1	–	–	–
	<b>1,646</b>	<b>27</b>	<b>1,673</b>	<b>1,464</b>	<b>23</b>	<b>1,487</b>

## 2. Expenditure on charitable activities: charitable grant making

	<b>Grants payable £'000</b>	<b>Support costs £'000</b>	<b>Total 2022 £'000</b>	Grants payable £'000	Support costs £'000	Total 2021 £'000
Education	1,024	100	1,124	1,050	81	1,131
Leather Associated	187	18	205	141	11	152
Advice	150	15	165	168	13	181
Community Support	288	28	316	244	19	263
Creative Arts	103	10	113	127	10	137
Criminal Justice & Rehabilitation	104	10	114	88	7	95
Disability	142	14	156	234	18	252
Domestic & Sexual Abuse	460	45	505	343	27	370
Employability	43	4	47	92	7	99
Food & Essentials Provision	62	6	68	62	5	67
Heritage & Environment	51	5	56	21	1	22
Homelessness	226	22	248	221	17	238
Health	241	23	264	185	14	199
Recreational & Out of School	224	22	246	287	22	309
Services Support & Rehabilitation	34	3	37	22	2	24
	<b>3,339</b>	<b>325</b>	<b>3,664</b>	<b>3,285</b>	<b>254</b>	<b>3,539</b>

## Notes to the accounts

Year to 31 July 2022

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

Analysis of grants payable	2022 No.	2022 £'000	2021 No.	2021 £'000
<b>Grants to institutions:</b>				
Education	39	750	37	809
Leather Associated	15	167	9	121
Advice	21	150	26	168
Community Support	64	288	53	244
Creative Arts	15	103	20	127
Criminal Justice & Rehabilitation	9	104	10	88
Disability	28	142	35	234
Domestic & Sexual Abuse	40	460	31	343
Employability	9	43	9	92
Food & Essentials Provision	7	62	20	62
Heritage & Environment	4	51	13	21
Homelessness	20	226	33	221
Health	41	241	26	185
Recreational & Out of School	28	224	35	287
Services Support & Rehabilitation	10	34	7	22
<b>Grants to institutions: Total</b>	<b>350</b>	<b>3,045</b>	<b>364</b>	<b>3,024</b>
<b>Grants to individuals: Education</b>	<b>86</b>	<b>274</b>	<b>86</b>	<b>241</b>
<b>Grants to individuals: Leather hardship</b>	<b>5</b>	<b>20</b>	<b>37</b>	<b>20</b>
	<b>441</b>	<b>3,339</b>	<b>487</b>	<b>3,285</b>

Grants payable to individuals within Education include restricted expenditure of £70,000 (2021: £60,000) in respect of the University Exhibitions fund and £67,000 (2021: £40,000) in respect of the Relief of the Poor fund, detailed in note 10.

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

Grants payable include the following grants of £20,000 or more.	<b>2022</b> £'000	2021 £'000
<b>Advice</b>		
Women's Work (Derbyshire)	20	20
<b>Community Support</b>		
Separated Child Foundation	–	34
Be Free Young Carers	–	27
Community Solutions North West Ltd	20	20
Valleys Kids	25	–
Tros Gynnal Plant (TGP Cymru)	25	–
Shoreditch Trust	20	–
The Enthusiasm Trust Ltd	22	–
The Violence Intervention Project	20	–
<b>Creative Arts</b>		
Oily Cart	–	20
The Big House	20	–
<b>Criminal Justice &amp; Rehabilitation</b>		
Key4Life	20	20
A band of brothers	20	–
The Hardman Trust	39	–
<b>Domestic and Sexual Abuse</b>		
Iranian & Kurdish Women's Rights	–	20
My Sister's Place	20	20
Port Talbot and Afan Women's Aid	20	20
Fermanagh Women's Aid	20	20
The River Manchester	–	27
Latin American Women's Aid	20	–
Safeline	25	–
Insight Counselling Coaching and Support	20	–
Moira Anderson Foundation	20	–
Street Teams	20	–
<b>Education</b>		
Guildhall School Trust	–	25
Colfe's School *	300	420
Leathersellers' Federation of Schools	145	174
Khulisa	25	–
Football Beyond Borders	25	–
RCN Foundation	20	–
The Guildhall School Trust	25	–
<b>Food and Essentials Provision</b>		
World Central Kitchen	50	–

# Notes to the accounts

Year to 31 July 2022

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

Grants payable include the following grants of £20,000 or more.	2022 £'000	2021 £'000
<b>Health</b>		
The Listening Place	20	20
The UK Sepsis Trust Ltd	–	20
Blue Smile	20	–
Noa Girls	23	–
Manchester Action on Street Health	25	–
Women Counselling and Therapy Service	25	–
<b>Heritage and Environment</b>		
Saint Mary the Virgin Parish Church	40	–
<b>Homelessness</b>		
Baron's Court Project	20	20
Park Lodge Project	–	40
The Bond Board	20	20
The National House Project	25	–
Burton upon Trent & District	25	–
<b>Leather Associated</b>		
Cockpit Arts	25	22
University of Northampton	–	40
London College of Fashion	22	–
The Leather Conservation Centre	20	–
<b>Recreational</b>		
BIGKID Foundation	20	20
Youth Adventure Trust	22	–
Total of aggregate grants £20,000 and over	1,358	1,069
Other aggregate grants under £20,000	1,687	1,955
Grants to individuals under the Leathersellers' University Exhibitions Scheme	274	241
Grants to individuals under the Leather Hardship Scheme	20	20
	<b>3,339</b>	<b>3,285</b>

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

3. Support costs	<b>2022</b>	2021
	<b>£'000</b>	£'000
Staff costs (note 4)	203	179
Leathersellers' Company management charge	45	42
Governance costs – Auditor's remuneration	12	11
Other costs	65	22
	<b>325</b>	<b>254</b>

4 Staff costs and remuneration of key management personnel	<b>2022</b>	2021
	<b>£'000</b>	£'000
Staff costs were:	145	130
Social security costs	12	11
Pension contributions	41	34
Medical insurance	5	4
	<b>203</b>	<b>179</b>

The average number of employees during the year was 3 (2021: 3). 1 employee earned between £70,000 and £80,000 in the year (2021: 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 and employer's national insurance contributions, payable by the Foundation were £94,911 (2021: £86,714).

# Notes to the accounts

Year to 31 July 2022

5. Investment property	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>UK long leasehold land and buildings</b>		
Market value at 1 August 2021	15,810	15,045
Unrealised gain	3,145	765
Market value at 31 July 2022	18,955	15,810
Historic cost of investment properties at 31 July 2022	4,977	4,977

The investment property was valued at its estimated market value by the trustees at 31 July 2022 based on professional advice.

6. Investment portfolio	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Investments</b>		
Market value at 1 August 2021	56,676	46,909
Add: Purchases at cost	42,056	11,543
Less: Proceeds from sales	(48,941)	(13,788)
Net realised and unrealised (losses) / gains	(4,647)	12,012
Market value of investments at 31 July 2022	45,144	56,676
Cash held by managers at 31 July 2022	4,376	122
Total market value at 31 July 2022	49,520	56,798
Total historic cost of investments at 31 July 2022	42,098	34,535

**The investment portfolios at market value comprises:**

UK investments listed on a recognised stock exchange (Cazenove & M&G)	9,085	22,205
Overseas investments listed on a recognised stock exchange (Cazenove)	35,912	34,329
Unquoted investments (Goldman Sachs)	147	142
Total investments	45,144	56,676
Cash	4,376	122
	49,520	56,798

**The quoted investments are held:**

Directly	44,475	34,456
Indirectly, through unit and investment trusts	522	22,078
	44,997	56,534

## 6. Investment portfolio (continued)

The following investment holdings were material in the context of the investment portfolios as at 31 July 2022:

	<b>2022</b> <b>£'000</b>	<b>2022</b> <b>%</b>	2021 £'000	2021 %
Astrazeneca plc	2,277	5.0	–	–
Microsoft Corp	2,908	6.4	–	–
S4 Capital plc	–	–	3,054	5.4
Rathbone Global Opportunities	–	–	6,777	12.0

## 7. Creditors: amounts falling due within one year

	<b>2022</b> <b>£'000</b>	2021 £'000
Rents received in advance	161	127
VAT payable and other taxes	25	22
Other creditors	125	49
	<b>311</b>	<b>198</b>

8. Permanent endowment funds	<b>Balance at 1 August 2021</b> <b>£'000</b>	<b>Gains and losses</b> <b>£'000</b>	<b>Balance at 31 July 2022</b> <b>£'000</b>
Ann Elliott and Others Trust	532	(10)	522
	Balance at 1 August 2020 £'000	Gains and losses £'000	Balance at 31 July 2021 £'000
Ann Elliott and Others Trust	430	102	532

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 2022

## 9. Expendable endowment funds

	Balance at 1 August 2021 £'000	Gains and losses £'000	Transfers £'000	Balance at 31 July 2022 £'000
The Leathersellers' Foundation Funds	71,724	(1,700)	(2,529)	67,495
	Balance at 1 August 2020 £'000	Gains and losses £'000	Transfers £'000	Balance at 31 July 2021 £'000
The Leathersellers' Foundation Funds	61,318	12,482	(2,076)	71,724

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 transfer of £2,529,000 (2021: £2,076,000) from the expendable endowment fund to the general fund represents a withdrawal of £2,500,000 (2021: £2,050,000) from the quoted investment portfolio and realisations of £29,000 (2021: £26,000) from the unquoted portfolio.

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

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.

The Jubilee fund represents a celebratory jubilee funding programme in recognition of Queen Elizabeth's platinum jubilee. The Leathersellers' Company donated £70,000 to the fund which was added to two budgeted amounts of £70,000 from different parts of the Foundation's own resources making a total of £210,000. This money was expended on 23 new single year grants to existing charity partners in the year.

11. Analysis of net assets between funds

	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

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

12. Financial commitments

	2022 £'000	2021 £'000
<b>Payable in the year ending 31 July:</b>		
2022	–	1,821
2023	2,083	1,063
2024	1,288	640
2025	802	236
2026	72	–
	4,245	3,760

# Notes to the accounts

Year to 31 July 2022

## 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 2022 (2021: 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 (2021: £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 £129,000 (2021: £106,000) and the Foundation was charged a management charge of £46,000 (2021: £42,000) by the Company. At the year end, rent prepaid to the Company totalled £15,000 (2021: £15,000).

The Leathersellers' Company paid two grants to the Foundation in the year: a matched funding donation of £43,000 (2021: £45,000) and a donation related to the Jubilee fund of £70,000 (2021: £nil).

In the year ended 31 July 2022 the Foundation paid suppliers' costs towards the installation of a new general ledger of £9,000 (2021: £nil) which were reimbursed by the Leathersellers' Company after the year end. The Leathersellers' Company paid grants on behalf of the Foundation due to ease of use of its banking facilities, totalling £50,000 (2021: £nil); these were reimbursed by the Foundation and the grants are recorded as usual within these accounts.

There was one connected charity (2021: one) which received a grant during the year. £300,000 (2021: £420,000) was awarded to Colfe's School.

Income for the year of £53,000 (2021: £43,000) was receivable for the University Exhibitions fund from The Robert Rogers Educational Foundation (for which the Leathersellers' Company is the sole trustee) and £68,000 (2021: £40,000) from the Robert Rogers and Elizabeth Grasvenor Trust (for which the Leathersellers' Company is the sole trustee).

There were no other related party transactions in the year or prior year. There was a nil balance due at the year end from the Robert Rogers Educational Foundation as part of the income referred to above (2021: £10,000).



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