

THE HADFIELD CHARITABLE TRUST

Charity Registration Number: 1067491

**ACCOUNTS FOR THE YEAR ENDED
31st AUGUST 2020**

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Index

Page

1-8	Trustees' Annual Report
9-11	Auditor's Report
12	Statement of Financial Activities
13	Balance Sheet
14-24	Notes to the Accounts (including Accounting Policies)

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

The Trustees have pleasure in submitting their Annual Report and Financial Statements for the year ended 31st August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Reference and administrative details

**Trustees who served during
the year and on the date
the Report was approved:**

Mr R A Morris (Chairman of Trustees)
Mr W Rathbone
Mr A T Morris
Mrs C F E Addison
Mr A W N Forsyth (Chairman of the Advisory Panel)
Mr D Bailey

Principal Address: Shoestone Cottage, Garnett Bridge, Kendal, Cumbria LA8 9AZ

Charity Number: 1067491

Administrator to the Trust: Susan Berriman

Assistant to the Administrator Mrs V Hewitt

Accountancy: Rathbone Trust Company Limited, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW

Auditor: BWM, Castle Chambers, 43 Castle Street, Liverpool, L2 9SH

Bankers: Rathbone Investment Management Ltd, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW

Investment Managers: Rathbone Investment Management Ltd, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW

Structure, governance and management

The Hadfield Charitable Trust is an unincorporated grant-making trust, a registered charity constituted under a trust deed dated 1 September 1997. The Trust was established through the generosity of the late Mrs Kathleen Hadfield Bibby. The capital is invested and the work of the Trust is primarily reliant on income generated by, and returns from, its investments. The Trust's sole activity is grant-making.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

By deed dated 1st August 2010 the Trustees varied the original deed to extend the total number of Trustees at no time to exceed eight. At the end of the financial year under review the Trust had six trustees, each chosen for

their particular skills which they bring to its governance. It is considered that the Trustees between them have the appropriate experience and skills to fulfil the Trust's objectives. Two of these Trustees live and work in Cumbria.

The Trustees would normally meet face to face three times a year and were able to do so in November 2019. However, the period under review was much affected by the COVID-19 pandemic and to reach a decision on awards in March 2020 the Trustees put forward their recommendations by email with the final decision being by the Chair. Decisions were reached in July 2020 using on-line video conferencing facilities which also gave the Trustees the opportunity to discuss strategy and governance matters. The Trust's investment managers from Rathbone Investment Management attended the November 2019 and July 2020 meetings as well as keeping the Trustees informed of market developments by email and letter.

The Trustees have delegated the day to day management of the Charity to the Administrator to the Trust.

At each Trustees' meeting the Trustees decide what awards should be made in response to grant applications received for consideration. The Trustees are guided in their deliberations by an Advisory Panel. Panel members are appointed by the Trustees who are chosen for their knowledge of the county and its charitable sector. There are currently seven members on the Advisory Panel and the Chairman of this Panel is one of the Cumbrian Trustees. The format of the three Panel meetings, held approximately four weeks prior to each Trustee Meeting, varied according to the COVID-19 guidelines current at the time of the meeting.

Recruitment, appointment and induction of new trustees

Prospective trustees are nominated by a Trustee for the specific skills they possess, and which will be of particular benefit to the Trust. Typically, candidates are asked to submit a letter of application detailing their skills and experience and then invited for a discussion with the Chairman and the Administrator on the work of the charity and its history. Candidates are then invited to attend a Trustees' meeting and if possible, an Advisory Panel meeting.

A new trustee must be elected by a majority of the Trustees and is provided with an induction pack containing relevant information including a copy of the Trust Deed, minutes of past Trustees' and Advisory Panel meetings and the latest Annual Report and Accounts. New Trustees are asked to read the Charity Commission guidance on the role, responsibilities and conduct of trustees (CC3: The Essential Trustee) and to visit the Charity Commission website.

Principal Risks and Uncertainties

The Trustees have considered the major risks to which the charity is exposed, together with the systems which have been established to mitigate those risks. A risk management document is in place and is reviewed each year at the November meeting of the Trustees with a view to identifying any new risks and ensuring that the systems aimed at mitigating those risks remain appropriate.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

The Trustees consider that the greatest risk affecting its ability to carry out its objectives would arise from a serious shortfall in its annual income caused by, for example, a collapse of dividend flow as a result of a major international financial crisis. In order to mitigate this risk (and in accordance with s15 Trustee Act 2000) the Trustees have established a policy statement for the investment of funds for the guidance of the discretionary fund manager, which is reviewed annually in line with investment performance.

The underlying capital can be used for grants in exceptional circumstances. The Trustees do not feel that it is necessary to establish reserves to enable them to smooth fluctuations in income.

Objectives and Activities

The Settlor had family roots in Cumbria and a deep affection for the county. In reflecting her wishes the Trustees determined that the Hadfield Charitable Trust should primarily provide assistance to community organisations with charitable objectives in Cumbria, particularly those whose work addresses the following priorities: social needs, youth and employment, older people, the arts, and the environment. However, from time to time, it has, and may in the future, make grants to charities operating outside the county.

How the Trust delivers public benefit through its activities:

The Trust primarily delivers public benefit through the distribution of income generated from its capital funds by making grants to suitable community projects in Cumbria. The application process is designed to be straightforward and accessible. All applicants are encouraged to discuss projects before applying and the Trust is keen to build a rapport with organisations to help develop an effective and resilient charitable sector.

The Trust actively seeks good community projects to fund and aims to do this in various ways including through website which was redeveloped working with design students at the University of Cumbria Institute of Arts. The Trust attended two charity funding fairs prior to the onset of COVID-19 in Cumbria and thereafter sought to maintain a profile throughout the Cumbrian charitable sector and has as an example, courtesy of CVS, given an online presentation to potential applicants. The Trust also sends funding plaques for display to organisations, thereby raising public awareness of its work.

The Trust continues its support for village halls and community buildings through grants of up to £5,000. It is also noticing an increasing requirement, from the whole charitable sector, for grants for day to day running costs, rather than capital spend.

To ensure that public benefit is delivered widely and fairly, the Trustees apply a 'two year rule' i.e. a minimum two year gap between the payment of awards. In exceptional circumstances the Trustees will vary this rule.

The Trustees consider applications from national charities if there is evidence of the public benefit to the Cumbrian community from their work. All applicants are asked to provide a Cumbria-based referee who can vouch for that organisation's work in the county.

The Trustees may decide to hold back payment of a grant until certain conditions and criteria are met. The applicant then has two years from the date of the pledge to provide evidence that all conditions and criteria have been met. At that point the pledged grant is paid and recognised in the financial statements.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

Working with third parties to maximise delivery of public benefit

The Trust makes grants to county-wide support organisations which work with numerous community groups. During the year the Trust continued to fund Cumbria CVS to organise community funding events, enabling a number of groups to discuss their funding needs. The Trust attended such events during the year; one in Carlisle, a second in Barrow prior to the start of the COVID-19 pandemic and one further event held via on-line video conferencing facilities.

The Trust works with umbrella organisations such as CVS and the CCF (Winter Warmth Appeal).

Performance-related awards

Grants are applied towards one-off projects; however, the Trustees recognise how critical it is to ensure the sustainability of effective organisations. When considered necessary, key projects may receive multi-year grants which are always performance related; subsequent payments are wholly dependent upon the receipt of satisfactory reports to the Trustees.

The Trustees also pledge awards where an additional condition needs to be fulfilled, particularly in the case of large capital schemes when remaining funds often need to be secured. These pledged awards frequently help organisations to lever additional funding.

The Trustees have complied with the duty in s17(5) of the Charities Act 2011 to have due regard to the Charity Commission's Public Benefit guidance when exercising any relevant powers or duties.

Achievements and Performance

Since the Trust started to make grants in March 1998 a total of £5,635,162 had been donated to 2,656 charitable causes, mostly in Cumbria, by 31 August 2020.

Donations made

During the year, donations totalling £241,837 (£327,600 in 2019) were made from the Trust. Grants ranging from £500 to £6,820 were made to 86 (117 in 2019) charitable causes. The total value and proportion of grants awarded by priority type from Unrestricted Funds were as follows:

	£	%
<i>Social Needs</i>	157,873	65
<i>Youth and Employment</i>	53,925	22
<i>Help for the Elderly</i>	6,494	3
<i>The Arts</i>	16,170	7
<i>The Environment</i>	7,000	3
<i>Other</i>	375	0
	<u>241,837</u>	<u>100</u>

In dividing projects by priority there is always a degree of overlap, particularly under the 'Social Needs' priority, so projects can deliver benefit to several categories such as the elderly and disabled. A full list of all the donations made in the year is shown within the notes to these accounts.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

Donations from restricted funds

The Trust does not actively fundraise, though on occasion private donations have been made to it. One such was in April 2009 when the Trust accepted a donation of £60,000 from the Crofton Trust. Thirteen projects benefitted and the final donation was made during 2017/18.

Rapid Response Activity

The Trust established a reputation for effectively meeting community need in Cumbria during the Foot and Mouth Disease crisis of 2001/2002.

In January 2016 the Trustees responded to the winter storms that devastated much of Cumbria by setting aside £50,000, from capital, into a Flood Relief Fund to meet the needs of the communities severely impacted by flooding. Urgent applications were dealt with outside the meeting structure: considered by the Cumbrian based Trustees and approved by the Chairman and these groups received payments within days of applying. The final payment was made during the previous financial year and this Fund is now closed.

When considering the impact of COVID-19 the Trustees agreed to continue with its three funding rounds during 2020. They also considered that its five criteria of Social Need, Youth and Employment, the Elderly, the Arts and the Environment were sufficiently broad to cover any COVID-19 related need that may arise. The Trustees also accepted non-COVID-19 related applications.

Youth and Employment Activities

It is a key objective of the Trustees to support activities that address the needs of young people and their employment. The Trust has done so in several ways during the year. It has continued to fund a two year scholarship for a prospective young engineer from Cumbria through the Arkwright Scholarships Trust.

Over recent years the Trust has, in conjunction with the University of Cumbria, offered a Hadfield Trust Travel Bursary scheme to enable Cumbrian students to travel to develop their career opportunities through access to activities that otherwise would not be possible. Each bursary is worth £500 and a maximum of three students are selected from the University's Institute of the Arts. Due to COVID-19 related restrictions this scheme was put on hold but will be resumed as soon as it is feasible.

Social Need

Whilst continuing to support community facilities with 14 grants for buildings, 10 grants towards sports clubs and 3 grants to play areas, the Trustees were pleased to award 5 grants to a number of hospices which serve Cumbria, 3 grants to volunteer rescue organisations and 4 grants to citizen advice offices.

Arts

After awarding the Dentdale Choir a modest grant, the Trustees were delighted to receive a recording, via on-line video facilities, of the Choir singing a song from the sheet music purchased.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

Plans for the future

The Trustees will continue to target their priority categories to maximise public benefit and actively promote the work of the Trust to attract appropriate applications and effectively meet community need. Both COVID-19 and non- COVID-19 related applications will continue to be accepted.

The Trustees will continue to monitor achievement by measuring impact through analysis of the evaluation reporting of every successful applicant. The Trustees decided that former applicants can only reapply if they have evaluated previously funded projects. Analysis of applications by priority and location will continue to help identify gaps in uptake.

The Trust will continue to develop its work with key organisations to maximise the delivery of public benefit.

Once it is agreed with the University of Cumbria that the Travel Bursary can resume and will not be in contravention of Government legislation and guidelines, then the Trust will continue with its career related travel bursary for Cumbrian students at the University.

The Trust aims to award a performance related grant for a two-year scholarship through the Smallpeice Trust (formerly the Arkwright Trust) or similar body to the benefit of a Cumbrian based student. A grant was awarded in March 2020 to support one student. A suitable candidate has been selected with the Smallpeice Trust amending its selection process to avoid face to face interviews.

Global equity markets reacted severely to the outbreak of the COVID-19 pandemic falling over 30% peak to This resulted in a synchronised shutdown of the majority of economic activity prompting a collapse in the price of commodities such as oil, in particular and the enforced quarantine of almost entire populations. Many listed companies cut their dividends in an effort to conserve cash and protect their ongoing viability and UK regulators requested that all banks under its supervision suspend any further dividend payments and share buybacks to preserve their capital. This led to a significant fall in overall dividend payments for 2020 compared to 2019 and consequently a reduction to an important source of investment returns for the Hadfield Charitable Trust. The Trustees have monitored this position carefully and will continue to do so although they are encouraged that the UK regulator has now allowed banks to resume dividend payments within certain strict parameters and that the dividend outlook does not appear at this stage to be deteriorating any further. Despite this fall to an important source of investment returns, the Trustees recognise the importance of making grants for the benefit of the community in Cumbria which they have continued to do throughout the period, particularly in these difficult times when it is often needed the most.

Financial review

Income generated by investments during the year totalled £291,513 (£354,401 in 2019) and £32,813 (£33,505 in 2019) was spent to raise funds. The amount applied directly towards charitable purposes during the year totalled £284,167 (£369,816 in 2019) of which £42,330 was spent on support and governance costs (£42,216 in 2019).

The SoFA includes the net gains and losses arising on revaluations and disposals throughout the year. In the year ended 31st August 2020, net investment losses totalled £598,676 (gains of £312,136 in 2019).

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

The net decrease in funds during the year ended 31st August 2020 was £624,143 (increase of £263,216 in 2019).

The Trustees held £8,554,964 of Unrestricted Funds as at 31st August 2020, compared with £9,179,107 held as at 31st August 2019. All Funds held at the financial year-end were Unrestricted in nature.

Reserves

The Trustees do not consider the underlying capital to be reserves since they provide the sole source of income for the Trust. The Trustees aim to expend each year's income, net of administration expenses, through the donation of grants with any under or over expenditure being balanced by over or under expenditure in subsequent years. Given the above, coupled with the low annual administrative expenditure, the Trustees do not consider it necessary to maintain designated free reserves. As explained under the section of "Achievements and Performance", the Trustees from time to time respond to a particular crisis or opportunity by agreeing to donate an appropriate sum from capital to meet that need.

Investments

The Trust's capital is invested in marketable investments or cash. There are no specific restrictions under the terms of the governing document. The Trustees have full discretion over the investments. The Trustees have delegated to Rathbones full discretionary day to day control of the investments. Assets have been acquired and disposed of in accordance with the powers available to the Trustees.

Investment Objectives and Performance

The Trustees have agreed with the Investment Managers the objectives to secure a reasonable growth in income, consistent with the long term preservation of capital in real terms. Investment decisions should be made based on the views of a prudent person in accordance with the standard of investment criteria relating to suitability and diversification. These objectives are reviewed at least once a year at a Trustee meeting.

The Trustees wish to ensure that the objectives outlined above are achieved with an acceptable risk. This implies the need for diversification of investment by the Trust to include a range of assets including fixed interest stocks, UK and overseas shares.

Investments comprise holdings in the UK, large overseas listed companies, unit and investment trusts including those investing in major international markets and also fixed interest securities. The portfolio can therefore a proportion of medium-sized, or smaller, UK companies and has exposure to international markets.

The Investment Managers are required to operate within the constraints applying to trusts governed by the Trustee Act 2000.

The performance of the fund is monitored and the Trustees review each individual asset class against its appropriate benchmark.

The Investment Manager provides regular reports to the Trustees who review the performance of the portfolio and of the Investment Manager at least three times a year. The Trustees are satisfied with the performance during the period under review, with due consideration being given to the impact of COVID-19 as outlined in this Report.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Trustees' Annual Report

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report 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 incoming resources and application of resources of the charity for that year.

In preparing these accounts, the Trustees are required to:

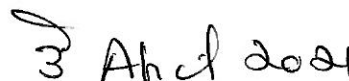
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

As approved and signed on behalf of the Board of Trustees:



Mr R A Morris (Chairman of Trustees)



Date

The Hadfield Charitable Trust

Independent Auditor's Report

To the Trustees of The Hadfield Charitable Trust

Opinion

We have audited the accounts of The Hadfield Charitable Trust (the 'charity') for the year ended 31 August 2020 which comprise of the Statement of Financial Activities, the Balance Sheet and the 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 August 2020 and of its incoming resources and application of resources, 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.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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 (Accounts and Reports)

The Hadfield Charitable Trust

Independent Auditor's Report

To the Trustees of The Hadfield Charitable Trust

Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts 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 (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.

The Hadfield Charitable Trust

Independent Auditor's Report

To the Trustees of The Hadfield Charitable Trust

BWM
Chartered Accountants
Statutory Auditor

BWM

Castle Chambers
43 Castle Street
Liverpool
L2 9SH

Dated 13/04/2021

BWM is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Statement of financial activities

		Unrestricted Funds 2020 £	Total 2020 £	Total 2019 £
	<i>Notes</i>			
Income from:				
Investments	3	291,513	291,513	354,401
Total		291,513	291,513	354,401
Expenditure on:				
Raising funds	4	32,813	32,813	33,505
Charitable activities	5	284,167	284,167	369,816
Total		316,980	316,980	403,321
Net gains/(losses) on investments	11	(598,676)	(598,676)	312,136
Net movement in funds		(624,143)	(624,143)	263,216
Reconciliation of funds:				
Balance as at 1 September 2019		9,179,107	9,179,107	8,915,891
Balance as at 31 August 2020		8,554,964	8,554,964	9,179,107

There are no acquisitions or discontinued operations in the year.

The notes on pages 14 to 24 form part of these accounts.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Balance Sheet

		Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
	<i>Notes</i>			
Fixed Assets				
Investments	11	8,358,171	8,358,171	9,002,669
Total Fixed Assets		<u>8,358,171</u>	<u>8,358,171</u>	<u>9,002,669</u>
Current Assets				
Debtors	12	48,582	48,582	61,123
Cash at bank		173,730	173,730	143,748
Total Current Assets		<u>222,312</u>	<u>222,312</u>	<u>204,871</u>
Liabilities:				
Creditors: Amounts falling due within one year	13	25,519	25,519	28,433
Net Current Assets		<u>196,793</u>	<u>196,793</u>	<u>176,438</u>
Total Net Assets		<u>8,554,964</u>	<u>8,554,964</u>	<u>9,179,107</u>
Funds of the Charity				
Total Funds as at 31 August 2020		<u>8,554,964</u>	<u>8,554,964</u>	<u>9,179,107</u>

Approved by the Board of Trustees and signed on its behalf on: 3rd April 2021



Mr R A Morris (Chairman of Trustees)

The notes on pages 14 to 24 form part of these accounts.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

1 Accounting Policies

The Hadfield Charitable Trust is governed by a Settlement Deed dated 1st September 1997 and registered in England and Wales. The principal address is Shoestone Cottage, Garnett Bridge, Kendal, Cumbria, LA8 9AZ.

Accounting Convention

The accounts have been prepared in accordance with the charity's Constitution, 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

The charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

Going Concern

At the time of approving the accounts and as detailed in the Trustees' report the Trustees have considered the impact of Covid-19 on the charity and the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the 'going concern' basis of accounting in preparing the accounts

Charitable Funds

Unrestricted funds are available for use at the discretion of the charity in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income Tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All dividend income is recorded net and includes tax deducted only when it is repayable to the charity.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

Expenditure

Expenditure is recognised when paid or when there is a legal or constructive obligation for which it is more likely than not that a transfer of economic benefit will be required in settlement and the amount can be reliably measured as at the reporting date. A constructive obligation exists where the charity has communicated the commitment to provide particular goods, services or funding to the recipient by the reporting date and there are no conditions attached to its payment falling due after the reporting date.

Provisions for liabilities must be recognised when either the timing or the amount of future expenditure required to settle the obligation is uncertain. These are distinguished separately on the balance sheet. If a transfer of resources is no longer required, provisions are reversed and charged to the SoFA.

Support Costs and Employee Benefits

All support costs and employee benefits are paid from Unrestricted Funds.

The employees of the charity do not accrue holiday entitlement. Any termination benefits awarded are recognised immediately as an expense.

Retirement Benefits

The charity is required to provide a pension scheme for one employee; the Administrator, only. A Defined Contribution scheme commenced 1st August 2016.

Investments

Investments held in the fund are included at their market value as follows:

- (a) Listed securities are valued at the mid market value ruling at the balance sheet date.
- (b) Listed securities held in foreign currencies have been valued at the mid market value and translated into their sterling equivalents at the rates ruling at the balance sheet date.
- (c) Gilts are valued at the mid market value ruling at the Balance Sheet date and include interest that has accrued up to that date.

Investments are classified as a fixed asset except when classified as a current asset where the intention of the Trustees is to dispose of the asset and not reinvest the proceeds.

Other recognised Gains and Losses

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost and are charged or credited to the Statement Of Financial Activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities resulting from revaluing investments to market value at the Balance Sheet date.

Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the asset cost or the expense to which it relates.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

Cash and cash equivalents

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Cancellation of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from Investments	2020	2019
	£	£
<i>Net of non reclaimable tax deducted at source:</i>		
Overseas	31,809	30,766
UK Fixed Interest	3,233	3,153
UK Unit Trust Interest	243	158
UK Equities and Income	241,993	301,465
Other Income	13,849	18,295
Bank Interest	386	564
	<u>291,513</u>	<u>354,401</u>

4 Raising funds	2020	2019
	£	£
Rathbone Investment Management fees	32,813	33,505
	<u>32,813</u>	<u>33,505</u>

5 Charitable activities

Grant making:

	Unrestricted Funds		Total Funds	Total Funds
	Direct Activities	Support Costs	2020	2019
	£	£	£	£
Donations made (note 6)	241,837	0	241,837	327,600
Salaries - Net (note 8)	0	26,064	26,064	25,397
Office costs	0	1,525	1,525	1,262
Travel expenses	0	0	0	584
Sundry, including subs	0	210	210	157
Governance costs (note 9)	0	14,531	14,531	14,816
	<u>241,837</u>	<u>42,330</u>	<u>284,167</u>	<u>369,816</u>

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

6 Donations made

An analysis of donations made from Unrestricted Funds by type is summarised as follows:

	£	%
Social Needs	157,873	65
Youth and Employment	53,925	22
The Elderly	6,494	3
The Arts	16,170	7
The Environment	7,000	3
Other	375	0
Total unrestricted donations	241,837	100

A full list of donations made to institutions from Unrestricted Funds and analysed by type for the year:

	£	£
<i>Social Needs:</i>		
ASKHAM & DISTRICT COMMUNITY CENTRE	3,000	
ASPATRIA COMMUNITY CENTRE	2,500	
AUTISM SUPPORT ALLERDALE & COPELAND	3,000	
BARROW & DIST. DISABILITY ASSOCIATION	5,000	
BARROW BLIND SOCIETY	5,000	
BARROW ISLAND COMMUNITY SPORTS	2,000	
BLUE SKY TRUST	2,000	
BOUTH VILLAGE GREEN	1,500	
CHURCH IN THE BARN	5,000	
CITIZENS ADVICE ALLERDALE	5,000	
CITIZENS ADVICE BUREAU BARROW	4,968	
CITIZENS ADVICE COPELAND	5,000	
CITIZENS ADVICE BUREAU SOUTH LAKES	5,000	
CLEATOR MOOR CELTIC FOOTBALL CLUB	1,000	
CUMBRIA ALCOHOL & DRUG ADVISORY SERVICE	3,000	
CUMBRIA FAMILY SUPPORT ASSOCIATION	5,000	
DENT READING ROOM	1,000	
EDEN VALLEY HOSPICE	4,784	
EVERSLEY CHORAL UNION	1,000	
GIVE A DAY TO THE CITY	625	
GROWING WELL	6,820	
HAWCOAT PARK	1,503	
HERDWICK SHEEP BREEDERS ASSOCIATION	2,000	
HOSPICE AT HOME CARLISLE & NORTH LAKELAND	5,000	
HOSPICE AT HOME CARLISLE & NORTH LAKELAND	6,596	
HOSPICE OF ST MARY OF FURNESS	5,835	
HUNTINGTONS DISEASE ASSOCIATION	3,000	
HUTTON IN THE FORREST VILLAGE HALL	2,500	
ICAN HEALTH & FITNESS	2,000	
KENDAL & SOUTH LAKES CENTRE - ONE VOICE	3,000	
KENDAL DEMENTIA ACTION ALLIANCE	2,000	

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

	£	£
KIRKBY IN FURNESS COMMUNITY CENTRE DEVELOPMENT FUND	2,000	
KIRKBY STEPHEN MOUNTAIN RESCUE	5,000	
LIVING PAINTINGS TRUST, THE	2,000	
LOWCA COMMUNITY CLUB	2,000	
MARSH ST ARCHES & GARDEN	1,500	
MARYPORT INSHORE RESCUE	1,233	
MOTOR NEURONE DISEASE	3,000	
NATLAND & OXENHOLME TABLE TENNIS	500	
PENRITH MOUNTAIN RESCUE TEAM	4,800	
PEOPLE FIRST INDEPENDENT ADVOCACY	1,000	
ROOKHOW ESTATE	3,000	
SAFA CUMBRIA	5,000	
SEATON RANGERS ARLFC	1,000	
SPRINGFIELD DOMESTIC ABUSE SUPPORT	5,000	
ST JOHNS HOSPICE	4,709	
TRIPLE A PROJECT	3,500	
ULVERSTON MIND	3,000	
ULVERSTON RANGERS FC	2,000	
VULTURE CLUB	3,000	
ZEST CUMBRIA	1,500	
Total Social Needs		160,373
<i>Youth and Employment</i>		
BENDRIGG TRUST, THE	4,565	
BOLTON LOW HOUSES CHILDCARE UNIT	1,440	
BRATHAY TRUST	2,000	
CHILD BEREAVEMENT UK	3,000	
DEPAUL UK	2,550	
FARMER NETWORK	2,500	
FITZ PARK KESWICK	2,000	
ISLANDERS DANCE TROUPE	1,000	
KEPPLEWRAY TRUST	2,000	
LONGTOWN MEMORIAL HALL YOUTH CLUB	3,170	
NETHERHALL RUGBY UNION FOOTBALL CLUB	1,500	
NORTH ALLERDALE DEVELOPMENT TRUST	2,000	
OCEAN YOUTH TRUST NORTH	3,000	
POLICE COMMUNITY CLUBS OF GREAT BRITAIN	1,000	
RAMSDEN ROBINS PRE NURSERY	3,000	
SAFETY NET UK	5,000	
SHARE FOUNDATION	2,000	
SMALLPIECE TRUST (Arkwright Sponsorship)	2,200	
ST MARYS & ST MARY SCHOOL PTA	3,000	
WEST CUMBRIA CARE & SUPPORT	2,000	
WHITEHAVEN COMMUNITY TRUST	5,000	
Total Youth and Employment		53,925

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

	£	£
<i>The Elderly</i>		
CUMBRIA COMMUNITY FOUNDATION - Winter Warmth Appeal	5,000	
EDEN SIGHT SUPPORT	<u>1,494</u>	
<i>Total The Elderly</i>		6,494
<i>The Arts</i>		
ASHTON GROUP THEATRE, THE	2,000	
BLUE JAM	1,000	
BREWERY POETS	500	
CUMBRIA OPERA GROUP	2,000	
DENTDALE CHOIR, THE	920	
ENNERDALE PROMOTIONS COMMUNITY INTEREST	2,000	
GRANGE OVER SANDS CONCERT CLUB	1,500	
POEM AND A PINT, A	1,250	
QUAKER TAPESTRY LTD	2,000	
ROSEHILL YOUTH THEATRE	<u>3,000</u>	
<i>Total The Arts</i>		16,170
<i>The Environment</i>		
CUMBRIA WILDLIFE LTD	3,000	
FOUNDATION FOR COMMON LAND	<u>4,000</u>	
<i>Total The Environment</i>		7,000
<i>Other</i>		
UNIVERSITY OF CUMBRIA - TRAVEL BURSARY	<u>375</u>	
<i>Total Other</i>		375
Total Unrestricted Donations made		<u>244,337</u>
<i>Less</i>		
Returned donation - MIND WEST CUMBRIA		<u>(2,500)</u>
Net Total Unrestricted Donations made		<u><u>241,837</u></u>

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

7 Trustee and Key Management Personnel Remuneration and benefits

Clause 7.8 of the deed bestows power on the trustees to employ any person, firm or company to manage or assist in managing the day to day running of the Trust Fund upon such reasonable terms as the Trustees think fit and to pay, enter into agreements and fix such reasonable salary as the Trustees deem proper and to make all necessary provisions for the payment of pensions on behalf of employees.

	£
Susan Berriman - Key Management Personnel	
Gross salary paid during the financial year	22,733
Employer's pension contribution	497

8 Paid employees	2020	2019
	£	£
Gross wages	25,567	25,000
Employer's contribution to defined contribution pension scheme	497	397
	<u>26,064</u>	<u>25,397</u>

The charity is required to provide a pension scheme for one employee; the Administrator, only.

Employment Allowance reduced Employer's NIC contributions for the year to nil.

No employee received emoluments in excess of £60,000 (none in 2019).

Average number of part-time employees in the year:	2020	2019
Charitable activities - administration and support	2	2

9 Governance Costs	2020	2019
	£	£
Trustees expenses - Travel	248	590
Panel expenses and meeting room hire	0	372
Accountancy and administration fees	8,130	8,130
Tax and Pension Administration fees	1,340	1,530
Audit fees	4,200	2,880
Legal fees	0	780
Insurance	613	534
	<u>14,531</u>	<u>14,816</u>

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

10 Details of certain expenditure

Trustee Remuneration and benefits

None of the Trustees have been paid any remuneration or received any other benefits during the year ended 31st August 2020.

Trustee expenses

£248 was reimbursed to 2 Trustees for travel expenses (£590 to 2 trustees in 2019) during the year ended 31st August 2020.

The Trustees join the June Advisory Panel Meeting, as this enables the Trustees to thank Panel members for the considerable work that they undertake on behalf of the Trust on an entirely voluntary basis. It also helps ensure that the Trustees understand the key issues in the County requiring charitable support and helps the Panel members understand the priorities that concern the Trustees.

11 Investments	<i>Value at 31/08/19</i>	<i>Purchases at cost</i>	<i>Sales proceeds</i>	<i>Realised Gains/(Losses)</i>	<i>Unrealised Gains/(Losses)</i>	<i>Value at 31/08/20</i>
	£	£	£	£	£	£
<i>Listed:</i>						
Overseas	2,402,172	246,009	531,769	(117,024)	105,769	2,105,157
Property Funds	223,256	0	0	0	(31,638)	191,618
Fixed Interest	533,930	0	0	0	(14,125)	519,805
UK Equities and Income	5,843,311	548,779	308,840	24,986	(566,644)	5,541,591
	<u>9,002,669</u>	<u>794,788</u>	<u>840,609</u>	<u>(92,038)</u>	<u>(506,638)</u>	<u>8,358,171</u>

12 Current assets	2020	2019
	£	£
<i>Debtors</i>		
Income Tax repayable	3,650	2,028
Dividend income - XD	43,932	56,498
Dividends receivable	0	1,597
Other debtor	1,000	1,000
	<u>48,582</u>	<u>61,123</u>

13 Liabilities:	2020	2019
	£	£
<i>Creditors: Amounts falling due within one year</i>		
Unpaid Grants	14,300	19,800
Rathbone Trust Company Ltd - Accountancy and Taxation	5,890	4,550
BWM - Audit fees	4,200	2,880
HM Revenue & Customs	1,129	1,111
Accrual	0	92
	<u>25,519</u>	<u>28,433</u>

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

14 Financial Instruments	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments receivable within one year		
- Debtors	44,932	59,095
- Cash	173,730	143,748
	<u>218,662</u>	<u>202,843</u>
Carrying amount of financial liabilities		
Payable within one year		
- Creditors	<u>24,390</u>	<u>27,322</u>
Instruments measured at fair value through SOFA		
Investments at value	<u>8,358,171</u>	<u>9,002,669</u>

15 Related Party Transactions

Other charitable organisations of which the Trustees of this charity have an interest in are always properly declared and acknowledged during determination of applications. If such a situation arises, the Trustee with the related party interest does not participate in the decision other than to clarify facts.

Amounts paid from the Hadfield Trust to any such charitable organisations are disclosed in note 6.

As at 31st August 2020 the Trustees had no interest in any charitable organisation affected by the above.

Outside of reimbursed expenses disclosed in note 10, there have been no other related party transactions requiring disclosure in the reporting period.

16 Comparative Charitable activities

Grant making:

	Unrestricted Funds		Total Funds
	Direct Activities	Support Costs	2019
	£	£	£
Donations made (note 6)	327,600	0	327,600
Salaries - Net (note 8)	0	25,397	25,397
Office costs	0	1,262	1,262
Travel expenses	0	584	584
Sundry, including subs	0	157	157
Governance costs (note 9)	0	14,816	14,816
	<u>4,550</u>	<u>2,940</u>	<u>347,456</u>

The Hadfield Charitable Trust

Accounts for the year ended 31st August 2020

Notes to the Accounts

17 Comparative Statement of financial activities

		Unrestricted Funds 2019 £	Total 2019 £
	<i>Notes</i>		
Income from:			
Investments	3	354,401	354,401
Total		354,401	354,401
Expenditure on:			
Raising funds	4	33,505	33,505
Charitable activities	5	369,816	369,816
Total		403,321	403,321
Net gains/(losses) on investments	11	312,136	312,136
Net movement in funds		263,216	263,216
Reconciliation of funds:			
Balance as at 1 September 2018		8,915,891	8,915,891
Balance as at 31 August 2019		9,179,107	9,179,107