

THE JOHN HORSEMAN TRUST
REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

Charity Number 1077820

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE JOHN HORSEMAN TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021

CONTENTS

Page

1	Reference and administrative information
2 to 6	Report of the trustees
7 to 10	Independent auditor's report
11	Statement of financial activities
12	Balance sheet
13	Statement of cash flows
14 to 20	Notes to the financial statements

THE JOHN HORSEMAN TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

31 MARCH 2021

Trustees: J R Horseman (Chair)
M C S Horseman
L C S Horseman
G R Horseman
W J Horseman

Registered charity number: 1077820

Correspondence address: Acton Hall Cottage
Felton
Morpeth
Northumberland
NE65 9NU

Auditors: Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers: Coutts and Co
440 Strand
London
WC2R 0QS

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees have pleasure in presenting their report together with the audited financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 15 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

The John Horseman Trust was formed by a declaration of trust on 5 May 1999, and as amended by supplemented deeds dated 17 September 1999 and 16 November 2009. It was registered as a charity on 15 October 1999. The trust deed establishes the objects and powers of the charity under which it is governed.

Both the initial donation from Mr J R Horseman and additional amounts donated since have been under terms which allow the trustees to either retain the amounts as capital or to spend them.

Management and governance arrangements

The trust deed provides for at least two trustees. The power of appointing new trustees and removing trustees is vested in the children of Moyra and John Horseman.

The chair of trustees is responsible for the induction of any new trustee, which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new trustee receives copies of the previous year's annual report and accounts and a copy of the Charity Commission leaflet 'The Essential Trustee: What You Need to Know'.

Risk management

The trustees annually review the risks that the charity faces.

The trustees are aware of the risks associated with making grants. They continue to review procedures to reduce risk in this area.

Objectives and activities for the public benefit

Under the trust deed, the trustees shall hold the trust fund and its income upon trust to apply the same at such time or times and in such manner to or for the benefit of such exclusively charitable objects and purposes in any part of the world as the trustees may in their discretion think fit.

The trustees currently have a policy of supporting three types of charitable activity which are of practical utility and benefit for the environment, education and local communities.

The trustees confirm they have been given the general guidance provided by the Charity Commission on public benefit, including the guidance "Public benefit: running a charity (PB2)" and are confident that this is achieved through the grants made to charities.

THE JOHN HORSEMAN TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Procedures and policy for grant making

The trustees identify projects and organisations they wish to support and the Trust has a policy of not making grants to people or organisations who apply speculatively.

A formal review meeting of grant applications by all trustees is held once a year. At other times two or more trustees hold informal meetings to make decisions on new grants and to review ongoing regular grants and their effectiveness. In general, these informal meetings occur approximately once per month.

Wherever possible, grants are made to organisations working in the appropriate field, which themselves hold charitable status and therefore have their own accountability procedures. Grants to other organisations, or to overseas non-profit organisations are made only when the Trust has personal contact and is able to verify the correct accountability for the use of the grant.

The Trust makes donations on an annual basis with the majority of donations going out in January. Other grants are made at different times during the year, either as one-off donations, or as standing orders, which as with the January donations are made on the basis of a 5 to 10 year plan.

The charities benefit more from this approach to grant making as it allows them to plan their finances. The trustees have also found that the feedback they receive is more thorough and the grants more effectively used.

Achievements and performance of the Trust

The finances and the administration of The John Horseman Trust were in a very strong position as the COVID-19 crisis hit the country. Having invested time the previous year in making visits and exploring new opportunities for grant making, the trustees were able to apply themselves during the months of lockdown to send out terms and conditions in order to tighten up the grant making procedures. The return of these T&C's was generally good, but some were held up by staff having been furloughed, or having no access to printers whilst working from home.

Several charities made appeals to The John Horseman Trust for emergency funding for specific projects. COVID-19 put pressure on family incomes both at home and abroad and the Trust was able to respond with emergency grants. Grants made to charities such as Link Age Southwark, Care Share, and the Big Give were in response to food poverty, isolation and homelessness. Other charities needed additional funding to fill gaps from reduced donations. Heel and Toe for example saw a significant drop in donations from cash generating events such as the annual dinner and Great North Run. The trustees offered additional funding in such cases to offer some financial help and to boost morale. Similar grants were made to charities operating abroad, namely KIKN (Kathmandu) and Brooke Hospital (India).

Our biggest donation of the year made in response to an emergency appeal by Marie Curie was for the sum of £250,000. The trustees were of the view that the charity had a very large funding gap to fill and at that point was not able to supply much beyond basic PPE to its staff. The timing of our gift in response to CEO Matthew Reed's appeal provided a real boost to both finances and morale at the charity, and encouraged others to give. The concept of matched funding was further explored by Marie Curie's fundraising team with the Christmas appeal. The trustees were happy for money to be set aside to offer donors the chance to double their donation over the Christmas period. This was a very successful fundraising programme. As a result of this donation and the success of the appeal, The John Horseman Trust was voted by the staff of Marie Curie as their charity of the year. The trustees felt uplifted and humbled by this vote.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance of the Trust *(continued)*

The trustees hold an annual meeting at the end of the year where donations are reviewed and three charities chosen by Laura, Guy and William Horseman are selected for additional funding, or a new charity is put forward for consideration. Two new charities were chosen, namely Red Thread and Shine. The Big Give is already supported by the Trust and it was decided to renew this support with a bigger gift. Red Thread operates predominantly at King's College Hospital in South London offering support to victims of knife crime. Shine works in education providing additional support for teachers and pupils. Both these donations were received with an immediate and enthusiastic response from the beneficiaries, and the reporting to date has been excellent.

The trustees were very pleased to see a hugely improved relationship developing with the Salvation Army. The link up with the fundraising department had previously been weak, with little or no reporting. The trustees decided to withdraw the standing order and instead offer donations to specific projects where a funding need is clearly established. So far this change in handling the application of funds has been much more effective as can be shown by the reporting for the hostel bed funding scheme in Gloucester and the part salary funding for the Addiction Officers.

During this year of crisis, the trustees were pleased to be in a position to offer continued support to charities with whom we have long standing relations, offer emergency help when requested and take on some new charities at the beginning of 2021. Via Zoom link ups the trustees were able to keep in touch with charities, and receive useful insights and updates.

Financial review

The Trust's net assets increased by £3,772,149 (2020: £501,053) during the year to £24,874,364 (2020: £21,102,215), after grants of £545,880 (2020: £371,654) were made.

Donations of £1,000,000 (2020: £1,000,000), before attributable gift aid, were given to the Trust during the year by Mr J R Horseman.

The finances of The John Horseman Trust are in a healthy state. The charity has no borrowings and is not dependant on outside support to maintain its spending.

The trustees are satisfied with the position of the Trust at the balance sheet date.

Investment policy and performance

There are no restrictions in the trust deed on the trustees' power to invest.

Despite the global pandemic and the associated economic uncertainty, the Trust's investments performed well over the period. This was helped in no small part by the emphasis on companies likely to benefit from the lockdowns and the growth of the digital economy such as Facebook, Alphabet, and Amazon. Overall, about 65% of the Trust's assets are invested, with the remainder in cash. About 80% of the investments are in equities, mostly large companies, which the trustees believe represent good value with clearly visible growth prospects. One new investment was added during the year, the UK online retailer Boohoo. The company is experiencing strong growth even as society returns to some sense of normality, but since our purchase, controversies have arisen surrounding its clothing procurement and pricing. This gives us concern and the investment is subject to review.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Investment policy and performance *(continued)*

Looking ahead we realise that the level of cash, together with the regular donations received by the Trust are higher than we are likely to donate in a given multi-year time frame, so we could afford to increase our investments. This will depend upon identifying growing companies with reasonable growth prospects, which we can hold over an extended period without having to worry about any month-to-month volatility. The likely returns from such investments will in part depend upon when the monetary authorities in the United States and elsewhere allow interest rates to rise and more ‘normal’ monetary conditions to prevail. At present it is highly uncertain when this will occur.

Reserves policy

The trust deed requires the trustees to use the income of the Trust in promoting its objects. The use of the Trust's reserves is therefore wholly at the discretion of the trustees, with no particular level of reserves required to be maintained.

Plans for future periods

The trustees noted a big increase in applications for funding as the country emerged from the summer of 2020. With the effective vaccination programme kicking in, staff began to return to work and there was a marked increase in applications to the trustees. This reflects the ever increasing need to provide financial support for projects around the UK. With the current administrative support being done on an unpaid basis by two of the trustees, a decision has been made to use the services of a Trust Administrator from November 2021. There are plans to set-up a website with a contact email address so that applications for funding can be made via this email. Once the website is live, no postal applications will be considered.

The majority of the terms and conditions documents had been returned by the year ended 31 March 2021, but some were still outstanding due to staff being on furlough, or technical problems caused by home working. All the terms and conditions are now in place. The very few charities which have failed to send back terms and conditions, have been removed from the list. The trustees apply the terms strictly, and any charity which fails to provide updates or prompt receipts is removed from the list of beneficiaries. There may not be any warning given by the trustees of removal.

From 2021 all charities supported by The John Horseman Trust will be required to supply copies of their safeguarding policy. The new Trust Administrator will undertake this task.

The trustees plan to continue providing funding to the long list of charities supported through standing orders and trial one off donations. Each year the trustees favour a few significant larger donations for specific projects. A successful example of such a donation during 2021 was to the Sage Gateshead to help with the recovery and renewal programme. The reporting provided by the Sage was excellent and the trustees plan to offer a further grant in the Autumn of 2021. The trustees believe that a one-off larger donation can make a significant difference and often encourage other charities to give to the project. The trustees admit to a sense of frustration with some of these larger donations. This is in part due to planning issues, and increased costs associated with building projects. The larger donations often go towards capital projects and typically such schemes are beset with delays. The trustees are reluctant to give pledges in view of the problems which arise from having to carry over pledges into the next financial year.

The trustees look forward to 2021-22 with a sense of optimism about the direction of the Trust, excitement about expanding the numbers of charities supported and consolidating existing relations.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements 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 financial statements, 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements 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

In so far as the board of trustees is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the board of trustees has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed on behalf of the trustees

J R Horseman
Trustee
20 November 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHN HORSEMAN TRUST

Opinion

We have audited the financial statements of The John Horseman Trust, for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, 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 United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHN HORSEMAN TRUST

Other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report of the trustees; or
- sufficient accounting records have not been kept; or
- the financial statements 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 trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 financial statements 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 financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOHN HORSEMAN TRUST

Auditor's responsibilities for the audit of the financial statements *(continued)*

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

Based on our understanding of the Trust, discussions with the trustees and those charged with governance, we considered that the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Charities SORP (FRS 102), the Charities Act 2011, the Charities (Account and Reports) Regulations 2008 and UK tax legislation.

As part of the engagement team discussion about the susceptibility of the Trust's financial statements to material misstatement due to fraud, we did not identify any areas with an increased risk.

Our audit procedures were designed to respond to identified risks, including non-compliance with laws and regulations and fraud, which may have a material effect on the financial statements. Our audit procedures included but were not limited to:

- enquiry of the trustees and review of any relevant correspondence with legal advisers regarding any instances of non-compliance with laws and regulations and any actual, suspected or alleged fraud;
- communicating identified laws and regulations and the risks of fraud with our engagement team and remaining alert to any indications of non-compliance or fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the minutes of the board of trustees;
- review of accounting estimates for management override and bias;
- analytical procedures to identify any unusual transactions;
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance.

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE JOHN HORSEMAN TRUST**

Use of the audit 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 independent 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Miller
Statutory Auditor
Floor A
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Date: 24 November 2021

Joseph Miller is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor under Section 1212 of the Companies Act 2006.

THE JOHN HORSEMAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted fund £	2020 Unrestricted fund £
Income from:			
Donations	2	1,250,000	1,250,000
Investments	3	268,111	305,298
Other	6	-	1,109
Total income		<u>1,518,111</u>	<u>1,556,407</u>
Expenditure on:			
Charitable activities	5	552,528	378,093
Other	6	9,030	-
Total expenditure		<u>561,558</u>	<u>378,093</u>
Net gains (losses) on investments	8	2,815,596	(677,261)
Net income and net movement in funds		3,772,149	501,053
<i>Reconciliation of funds</i>			
Total funds brought forward		21,102,215	20,601,162
Total funds carried forward		<u>24,874,364</u>	<u>21,102,215</u>

The notes on pages 14 to 20 form part of these financial statements

THE JOHN HORSEMAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	8	<u>15,558,211</u>	<u>11,061,586</u>
Current assets			
Debtors	9	250,000	250,000
Cash at bank		9,070,731	9,795,117
		<u>9,320,731</u>	<u>10,045,117</u>
Liabilities			
Creditors: Amounts falling due within one year	10	(4,578)	(4,488)
Net current assets		<u>9,316,153</u>	<u>10,040,629</u>
Net assets		<u>24,874,364</u>	<u>21,102,215</u>
Funds of the charity			
Unrestricted income fund		24,874,364	21,102,215
Total charity funds	11	<u>24,874,364</u>	<u>21,102,215</u>

These financial statements were approved by the trustees on 20 November 2021 and were signed on their behalf by:-

J R Horseman
Trustee

The notes on pages 14 to 20 form part of these financial statements

THE JOHN HORSEMAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	<u>688,532</u>	<u>733,896</u>
Cash flows from investing activities:			
Dividends and interest from investments		268,111	305,298
Purchase of investments		(1,681,029)	(3,684,572)
		<u>(1,412,918)</u>	<u>(3,379,274)</u>
Net cash used in investing activities			
		<u>(1,412,918)</u>	<u>(3,379,274)</u>
Change in cash in the year ended 31 March 2021		(724,386)	(2,645,378)
Cash at 1 April 2020		9,795,117	12,440,495
		<u>9,795,117</u>	<u>12,440,495</u>
Cash at 31 March 2021		<u>9,070,731</u>	<u>9,795,117</u>
(a) Reconciliation of net income to net cash flow from operating activities			
Net income for the year ended 31 March 2021 (per statement of financial activities)		3,772,149	501,053
Adjustments for:			
(Gains) losses on investments		(2,815,596)	677,261
Dividends and interest from investments		(268,111)	(305,298)
Increase (decrease) in creditors		90	(139,120)
		<u>688,532</u>	<u>733,896</u>
Net cash provided by operating activities		<u>688,532</u>	<u>733,896</u>

THE JOHN HORSEMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless stated otherwise. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Trust.

b) Preparation of financial statements on a going concern basis

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

d) Fixed asset investments

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date, using mid-market prices from the appropriate stock exchange or bid price from the relevant fund manager, or last traded price where applicable.

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

e) Cash at bank

Cash at bank includes a current account, a 90 day notice account and three foreign currency current accounts.

f) Foreign currency

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date.

THE JOHN HORSEMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (*continued*)

g) Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligations can be measured or estimated reliably.

h) Financial instruments

With the exception of investments described above, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

i) Income recognition

All income is included in the statement of financial activities when the Trust has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Donations are included in full in the statement of financial activities when receivable. Such income is only deferred when the donor specifies that the donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income such as dividends and interest are included when receivable.

i) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Grants payable are recorded once the Trust has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is earliest. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support costs are allocated on the basis of time spent on each activity as shown in note 5 to the financial statements.

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Income from donations	2021	2020
	£	£
J R Horseman	1,000,000	1,000,000
Gift Aid	250,000	250,000
	1,250,000	1,250,000

3 Income from investments	2021	2020
	£	£
Dividends and interest receivable	268,111	305,298

4 Grants

During the year institutional grants were made for the following charitable purposes:-

	2021	2020
	£	£
AGE UK Merton	3,000	3,000
Ashton School Fund	-	11,300
Big Issue Foundation	2,000	1,000
Big Kid Foundation	-	2,000
Blue Monarch, USA	-	3,979
Blyth Star Enterprises	5,000	5,000
Brooke Hospital for Animals	5,000	-
Cheetah Outreach, South Africa	5,140	5,435
CHICKs	2,000	2,000
Crisis Newcastle	1,000	1,000
Cycle-R	5,000	-
Dulwich Picture Gallery	-	3,200
Ebony Horse Club	-	1,000
FareShare	10,000	-
Farms for City Children	3,000	3,000
Francis House Children's Hospice	2,000	2,000
Great North Museum Hancock	10,000	10,000
Greenacres Education Trust, Uganda	5,000	5,000
Grove Adventure Playground	2,000	-
Heel and Toe Children's Charity	20,000	10,000
Hospice Care NLND	3,000	2,000
Integrated Neurological Services	5,000	5,000
Kids in Kathmandu, Nepal	10,000	5,000
Leonard Cheshire Disability	-	5,000
Lewis Manning Trust	5,000	5,000
Link Age Southwark (previously Dulwich Helpline)	5,000	3,000
London City Mission	1,000	1,000
Maggs Day Centre	5,000	5,000
Carried forward	114,140	99,914

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4 Grants (continued)

	2021	2020
	£	£
Brought forward	114,140	99,914
Marie Curie Cancer Care	269,000	-
Mind	5,000	5,000
National Trust, Seaton Delaval Hall	-	25,000
Newcastle United Foundation	10,000	110,000
North Devon Hospice	-	7,500
North Music Trust (Sage Gateshead)	10,000	-
Northumberland Wildlife Trust Limited	1,000	1,000
Pelton Youth & Community Centre	5,000	5,000
Place2Be	10,000	10,000
Polka Theatre	5,000	5,000
Redthread	5,000	-
Ripple Africa, Malawi	5,040	5,040
Salvation Army	15,000	5,000
Shine	5,000	1,000
Shooting Star Chase	3,000	3,000
St Christopher's Hospice	3,000	3,000
St Martin-in-the-Fields	5,000	5,000
St Michaels and All Angels, Felton	2,200	2,200
St Michael's Hospice	3,000	3,000
St Peter's, Bentley	-	50,000
Stewardship	3,000	3,000
Streatham Common Co-operative	2,500	-
Streatham Youth and Community Trust	5,000	3,000
The Cowshed	5,000	10,000
Thomley Hall Centre Limited	10,000	5,000
University of Birmingham - A2B scheme	35,000	-
Voice 21	-	5,000
Zoological Society London	10,000	-
	<hr/> 545,880	<hr/> 371,654

THE JOHN HORSEMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5 Total expenditure:	2021	2020
	Unrestricted	Unrestricted
	fund	fund
	£	£
i) Charitable activities:		
Grants payable (see note 4)	545,880	371,654
Support costs:		
Travel and subsistence	-	448
Sundry expenses	-	100
Printing, postage and stationery	23	-
Bank charges	2,047	1,403
	<hr/>	<hr/>
	547,950	373,605
ii) Governance costs		
Audit and accountancy	4,578	4,488
	<hr/>	<hr/>
	4,578	4,488
	<hr/>	<hr/>
Total expenditure on charitable activities	<hr/>	<hr/>
	552,528	378,093
6 Other	2021	2020
	£	£
(Loss) gain on foreign exchange retranslation	(9,030)	1,109
	<hr/>	<hr/>

7 Trustees' and key management personnel remuneration and expenses

During the year, no trustees or any persons connected by business to them, have received any remuneration from the charity.

The Trust considers its key management personnel to be the trustees.

The aggregate amount of expenses reimbursed to the trustees during the year was £23 (2020: £448). The number of trustees reimbursed for expenditure was one (2020: one reimbursed for travelling).

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Investments

Listed investments

	2021	2020
	£	£
Market value at 1 April 2020	11,061,586	8,054,275
Additions at cost	1,681,029	3,684,572
Disposals at carrying value	-	-
Unrealised gain (loss) on revaluation	2,815,596	(677,261)
Market value at 31 March 2021	<u>15,558,211</u>	<u>11,061,586</u>
Historical cost at 31 March 2021	<u>12,695,951</u>	<u>11,014,922</u>
Listed investments at market value comprised:		
UK equity shares	3,545,868	2,442,846
Overseas equity shares	8,601,031	5,421,695
Bonds	3,411,312	3,197,045
	<u>15,558,211</u>	<u>11,061,586</u>

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is the market value using the bid price.

9 Debtors

	2021	2020
	£	£
Gift aid recoverable	<u>250,000</u>	<u>250,000</u>

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	<u>4,578</u>	<u>4,488</u>

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11 Analysis of net assets between funds	2021
	£
Fixed asset investments	15,558,211
Current assets	9,320,731
Current liabilities	(4,578)
	<hr/>
	24,874,364

Analysis of net assets between funds - previous year

	2020
	£
Fixed asset investments	11,061,586
Current assets	10,045,117
Current liabilities	(4,488)
	<hr/>
	21,102,215

12 Commitments	2021	2020
	£	£
Commitments payable in 1 year	72,000	27,000
Commitments payable in over 1 year	291,000	33,000
	<hr/>	<hr/>
Amount of commitments as at 31 March 2021	363,000	60,000

In addition, at the year end, the charity had annual grant commitments of £114,240 (2020: £36,000).

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income.

13 Related party transactions

During the year a grant of £5,000 (2020: £5,000) was made to Greenacres Education Trust, a charity of which J R Horseman is a trustee.

13 Post balance sheet events

Due to the on-going COVID-19 pandemic, there is a potential future loss of investment income and capital value but, at this stage, it is impossible to estimate the longer term financial implications for the charity. The trustees consider that the reserves and financial position of the charity mitigate any immediate risk.