

THE JOHN HORSEMAN TRUST

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2022

Charity Number 1077820

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE JOHN HORSEMAN TRUST
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022

CONTENTS

Page

1	Reference and administrative information
2 to 8	Report of the trustees
9 to 12	Independent auditor's report
13	Statement of financial activities
14	Balance sheet
15	Statement of cash flows
16 to 22	Notes to the financial statements

THE JOHN HORSEMAN TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

31 MARCH 2022

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 2022

The trustees have pleasure in presenting their report together with the audited financial statements of the charity for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 17 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 2022

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 annual grants, 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

Clear and effective communication between the trustees and recipients of grants continues to underpin the donation profile for The John Horseman Trust during the year 2021-2022. The trustees were pleased to face the new financial year in a strong position with regard to funds under management ensuring that ongoing annual grants to charities were secure with a good outlook for taking on new donations. The main restriction on being able to expand the number of donations being the limited time available to John and Moyra Horseman to develop the reach of the charitable trust. This issue was addressed by the decision to appoint a Trust Administrator to help with the increasing workload associated with expanding the charity. Sarah Timmis was appointed in November 2021 and the trustees are very pleased to reflect the positive effect of this additional help in the report for this last year.

The impact of COVID continued to be felt across society and reporting from charities supported by the Trust reflected this. The trustees were pleased to be in a position to increase donations to some longstanding charities and extend new donations to more recent applicants. Wise use of furlough schemes, prudent decisions to reduce overheads and evidence of a commitment to specific causes, provided the trustees with confidence to increase regular annual grants to some of the longstanding charities the Trust has supported in some cases for well over a decade. Rising energy and living costs were also a factor in the decision of the trustees to increase grant levels. Farms for City Children, London City Mission, Streatham Youth Club and St Christopher's Hospice were just a few of the charities which benefited from increases in regular donations. Widely reported reliance upon food banks encouraged the trustees to increase the annual donation to FareShare and to provide an additional donation to the Grove Adventure Playground's foodbank through the Big Give. Making donations to the Big Give was easier this year due to the facility that was set up for online pledges. A second donation was made to The North Northumberland Hospice via the Big Give. The pledge system of giving is not something the trustees favour though, so it is unlikely that the trustees will expand their giving via the Big Give.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance of the Trust *(continued)*

Trying to readdress inequality in society is way beyond the scope of any one body, but if grant making bodies can offer small amounts of support, then the sum of this effort can start to make a difference. The trustees are delighted to continue with their support to the 'Access to Birmingham' scheme, (formerly A2B), and the various charities working in secondary and primary education such as Place2Be, Shine, Voice 21, and the Polka Theatre's literacy programme. The North Music Trust, (Sage), received a second significant donation from the Trust. This was an unrestricted gift, given on the basis of belief in the importance of the Sage Gateshead in the artistic and creative life of the North East. The outreach programme and support for young musicians thrives and the trustees are proud to be supporting the ongoing work in this area. The opening of the youth hub "NUCASTLE" around the corner from the Newcastle United football ground, was another exciting event for young people in the City. The John Horseman Trust offered finance to this project in the very early days, so it was good to witness the opening of the centre.

Support for the work of hospices and palliative care continues to be a theme for The John Horseman Trust. The trustees will continue to work with Marie Curie in offering an annual contribution towards nursing care, and with the St Michael's Hospice training scheme which operates in tandem with Leeds university school of nursing. It is unlikely that the trustees will expand their hospice programme as it already forms a significant part of our giving.

Many new applications were made to the Trust and some met with success. An application for funding is more likely to succeed if the trustees can see a clear breakdown of why funding is being applied for with a visual breakdown of how the money will be spent through pie charts, graphs, and other representations. A good example of this was a recent application for support for veterans' mental health by the Royal Marines Charity. Another was the application made by the RNLI for equipment in a lifeboat station. The trustees could clearly see in both applications a need in the local community and an immediate offer of relief, or in the case of the RNLI a real opportunity to save lives.

As the financial year came to a close the trustees were very pleased to be able to finally release the first stage payment to the Woodland Trust for the car park project at Langley Vale. This has been a project slowed down by endless planning and local issues, but the Woodland Trust has managed to negotiate through all this with the end result of a sensitively designed car park that will open this beautiful site to many more people. The project is not yet finished so the trustees have held on to the second payment until completion of the work in early May 2022.

Another significant donation which was made towards the end of the financial year was to a disability charity operating in Exeter called ExeAccess. The Trust was delighted to fill the funding gap in the final stage of their appeal for an electric van with a hoist. The charity had everything in place very efficiently and an invitation to visit and see the van in use will be taken up by our Trust Administrator in the summer of 2022.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance of the Trust *(continued)*

Donations made abroad are limited due to the difficulty in monitoring. The charities supported by the Trust, such as Brooke Hospital, or Ripple Africa are working in areas where they have strong local representation with UK based Head Offices. The trustees have a good personal contact with the UK based fundraiser for Greenacres Academy in Uganda. KIKN, the charity working with Nepalese orphans, informed us of the sudden death of its founder Lai See Chew. This was very sad for everyone involved as Lai See had been the driving force in this very effective charity. Her husband Stephen Smith has taken over and continues to offer good reporting. The reporting from Cheetah Outreach continues to be excellent and the trustees will keep offering grants for the work with local farmers in South Africa. After the withdrawal from Afghanistan a fundraising campaign was launched by the Halo Trust to raise money for mine clearance to make areas safe for communities. The trustees made a one-off donation for this campaign and were so reassured and impressed by the reporting, that the decision was made to increase future donations and extend the brief to support the work of the charity in Ukraine.

The trustees continue to receive postal applications to the registered address and wish to state clearly that their preference is for email enquiries via the contact stated on the Charity Commission website. Postal applications are not turned around as quickly and less likely to be viewed positively as it shows a failure to research the Trust's preferences. The aims and objectives of The John Horseman Trust are clear and if an application fails to provide clarity in their request for money, with a breakdown in costs and likely benefits, the application will not meet with success.

The appointment of a Trust Administrator has enabled the trustees to monitor existing donations more closely, celebrating good reporting and registering concern at poor responses. Moyra and John Horseman have a weekly Zoom meeting with our Trust Administrator and keep in touch via email and Google docs between meetings. As COVID restrictions have been lifted Sarah Timmis will be undertaking more visits to charities. If the trustees pick up a sense that the original charitable mission is being diluted and the direction of the charity being supported by the Trust is going "off task", then the trustees will review the donation and cancel where appropriate. Poor or unreliable reporting and or persistent failure to produce receipts has also resulted in grants being withdrawn. The trustees have started using Eversign, the online signing system, which negates the need to print, sign and scan back terms and conditions. This has improved efficiency for all parties. Our Trust Administrator took on the task of requesting Safeguarding Policies from all the charities supported by the Trust, and we are pleased to report that as the year finishes all the policies are in place.

Financial review

The Trust's net assets increased by £3,222,087 (2021: £3,772,149) during the year to £28,096,451 (2021: £24,874,364), after grants of £418,546 (2021: £545,880) were made.

Donations of £1,000,000 (2021: £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.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Investment policy and performance

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

If ever a year can be described as one of two halves, then the year to March 2022 must surely fall into that category. In the first half, roughly to October, investors had a rush of blue sky thinking. The prevailing wisdom was that interest rates would remain low indefinitely, companies would achieve their goals however distant and dreamy, while COVID was unlikely to have any effect on the jobs market as everyone could work from home. As if to reassure any doubters, the 140 or so economists at the American Federal Reserve pronounced that inflation would be a temporary affair.

The outbreak of war in the Ukraine was partly responsible for upending this view but in truth stresses and strains were apparent months before Russia sent in its troops on 24 February. Following the post COVID back to work, companies had been complaining of labour shortages and logistical issues in supply chains. Inflation, far from fulfilling the forecasts of the economists continued to rise and was at 7% by Christmas in America and the UK, the highest it has been for forty years. All of this was not lost on investors who woke up from their dreamy state and began selling their speculative shares in droves.

We mention the above because it provides a useful background as to why the fund pursues a conservative investment policy. It is worth summarising what we mean by this. Broadly, there are five main principles which make up the policy as follows:

- Surplus funds in the John Horseman Trust are invested with the objective of trying to maintain the real value of the Trust after inflation but not including the donations made.
- We invest in larger capitalised companies around the world which we believe have good growth prospects which are not reflected in the price.
- The Trust invests for the long term, realising that it will have up and down years but not shaken out by each shift of sentiment.
- The Trust maintains ample liquidity so that it is never forced to sell a position to meet a commitment.
- Investment decisions are made by the trustees and not devolved to an outside body which may make decisions which run counter to the above principles.

The Trust made three investment decisions during the year. Recognising that resources would play a bigger part in investors' thinking, all three have a resource theme and in the view of the trustees represent good value. The first of these is the Anglo Australian miner Rio Tinto. As the largest iron ore miner in the world, as well as a significant player in copper and aluminium it looks attractive. A dividend yield of at least 6% adds to the attraction.

The second investment is Enbridge. The company is responsible for distributing some 20% of natural gas in the United States through its extensive pipeline system. It also owns significant storage assets in liquid petroleum gas and a growing green energy business. It carries a similar dividend of approximately 6%. The final investment is Archer Daniels or ADM. The company is the world's largest processor of corn and soya as well as being a large trader in these markets. It also has an important flavours business which is showing good growth.

THE JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Investment policy and performance *(continued)*

After several positive years for the Trust's investments, it seems quite unlikely that we will be treated so kindly during the remainder of 2022 and possibly into 2023. Quite apart from the humanitarian cost, it is rare that conflict of a scale which we are seeing in the Ukraine will have no impact on financial markets, indeed we are already seeing this with shortages in many areas and profit warnings. It is also clear that the era of very low interest rates which was introduced after the global financial crisis in 2008 is drawing to a close. As interest rates rise, this tends to work adversely for investors in equities, at least until investors sense that the top has been reached. At the same time, openings will arise which we hope will allow the Trust to take advantage.

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

It is expected that 2022/23 will be a year characterised by consolidation and development of relations with charities on the current schedule, but it is anticipated that new contacts and donations will be made. In previous years the trustees have felt that it was more manageable to make a couple of very big donations each year but not develop the smaller ones. With the need being so great the trustees are of the view that the smaller donations can have more impact. The trustees may be less keen to support big infrastructure projects and work more to maximise the impact in areas where a small amount can go a long way. This has been made easier for us by taking on more help in the administration of the charity. The trustees look forward to developing some areas currently under represented in the giving profile, growing existing relations and forming some new rewarding partnerships.

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 JOHN HORSEMAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Statement of trustees' responsibilities *(continued)*

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
10 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE JOHN HORSEMAN TRUST
YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The John Horseman Trust, for the year ended 31 March 2022 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 2022 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
YEAR ENDED 31 MARCH 2022

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 pages 7 and 8, 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
YEAR ENDED 31 MARCH 2022**

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
YEAR ENDED 31 MARCH 2022

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: 12 September 2022

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 2022

	Note	2022 Unrestricted fund £	2021 Unrestricted fund £
Income from:			
Donations	2	1,250,000	1,250,000
Investments	3	309,975	268,111
Total income		<u>1,559,975</u>	<u>1,518,111</u>
Expenditure on:			
Charitable activities	5	429,693	552,528
Other	6	(3,868)	9,030
Total expenditure		<u>425,825</u>	<u>561,558</u>
Net gains on investments		<u>2,087,937</u>	<u>2,815,596</u>
Net income and net movement in funds		3,222,087	3,772,149
<i>Reconciliation of funds</i>			
Total funds brought forward		<u>24,874,364</u>	<u>21,102,215</u>
Total funds carried forward		<u>28,096,451</u>	<u>24,874,364</u>

The notes on pages 16 to 22 form part of these financial statements

THE JOHN HORSEMAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	8	<u>19,768,553</u>	<u>15,558,211</u>
Current assets			
Debtors	9	250,000	250,000
Cash at bank		8,083,661	9,070,731
		<u>8,333,661</u>	<u>9,320,731</u>
Liabilities			
Creditors: Amounts falling due within one year	10	(5,763)	(4,578)
Net current assets		<u>8,327,898</u>	<u>9,316,153</u>
Net assets		<u>28,096,451</u>	<u>24,874,364</u>
Funds of the charity			
Unrestricted income fund		28,096,451	24,874,364
Total charity funds	11	<u>28,096,451</u>	<u>24,874,364</u>

These financial statements were approved by the trustees on 10 September 2022 and were signed on their behalf by:-

J R Horseman
Trustee

The notes on pages 16 to 22 form part of these financial statements

THE JOHN HORSEMAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	<u>825,360</u>	<u>688,532</u>
Cash flows from investing activities:		
Dividends and interest from investments	309,975	268,111
Purchase of investments	(2,768,782)	(1,681,029)
Proceeds from sale of investments	646,377	-
	<u></u>	<u></u>
Net cash used in investing activities	<u>(1,812,430)</u>	<u>(1,412,918)</u>
Change in cash in the year ended 31 March 2022	(987,070)	(724,386)
Cash at 1 April 2021	9,070,731	9,795,117
	<u></u>	<u></u>
Cash at 31 March 2022	<u>8,083,661</u>	<u>9,070,731</u>
Reconciliation of net income to net cash flow from operating activities		
Net income for the year ended 31 March 2022 (per statement of financial activities)	3,222,087	3,772,149
Adjustments for:		
Gains on investments	(2,087,937)	(2,815,596)
Dividends and interest from investments	(309,975)	(268,111)
Increase in creditors	1,185	90
	<u></u>	<u></u>
Net cash provided by operating activities	<u>825,360</u>	<u>688,532</u>

THE JOHN HORSEMAN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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.

j) 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 2022

2 Income from donations	2022	2021
	£	£
J R Horseman	1,000,000	1,000,000
Gift Aid	250,000	250,000
	<hr/>	<hr/>
	1,250,000	1,250,000

3 Income from investments	2022	2021
	£	£
Dividends and interest receivable	309,975	268,111
	<hr/>	<hr/>

4 Grants

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

	2022	2021
	£	£
AGE UK Merton	3,000	3,000
Bede House Association	5,000	-
Big Issue Foundation	2,000	2,000
Blyth Star Enterprises	-	5,000
Brooke Hospital for Animals	5,000	5,000
Cheetah Outreach, South Africa	5,586	5,140
CHICKs (also known as Go Beyond)	2,000	2,000
Crisis Newcastle	1,000	1,000
Cycle-R	-	5,000
Ebony Horse Club	5,000	-
ExeAccess	30,020	-
FareShare	10,000	10,000
Farms for City Children	5,000	3,000
Francis House Children's Hospice	2,000	2,000
Great North Museum Hancock	-	10,000
Greenacres Education Trust, Uganda	5,000	5,000
Grove Adventure Playground	5,300	2,000
Halo Trust	10,000	-
Heel and Toe Children's Charity	10,000	20,000
Integrated Neurological Services	5,000	5,000
Kids in Kathmandu, Nepal	5,000	10,000
Leonard Cheshire Disability	5,000	-
Lewis Manning Trust	5,000	5,000
Link Age Southwark	4,000	5,000
London City Mission	1,000	1,000
Loughborough Junction Action Group	300	-
Maggs Day Centre	5,000	5,000
Marie Curie Cancer Care	19,000	269,000
	<hr/>	<hr/>
Carried forward	155,206	380,140

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4 Grants (continued)

	2022	2021
	£	£
Brought forward	155,206	380,140
Mind	5,000	5,000
Newcastle United Foundation	10,000	10,000
North Music Trust (Sage Gateshead)	25,000	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
Prison Fellowship	3,600	-
Redthread	5,000	5,000
Ripple Africa, Malawi	5,040	5,040
Royal National Lifeboat Institution	9,000	-
Royal Marines Charity	3,000	-
Salvation Army	-	15,000
Shine	5,000	5,000
Shooting Star Chase	3,000	3,000
St Christopher's Hospice	5,000	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
Stewardship	3,000	3,000
Streatham Common Co-operative	12,500	2,500
Streatham Youth and Community Trust	5,000	5,000
The Cowshed	5,000	5,000
The Woodland Trust	75,000	-
The North Northumberland Hospice	3,000	3,000
Thomley Hall Centre Limited	5,000	10,000
Umbrella Derby & Derbyshire	5,000	-
University of Birmingham - Access to Birmingham scheme	35,000	35,000
Voice 21	5,000	-
Zoological Society London	-	10,000
	<hr/> 418,546 <hr/>	<hr/> 545,880 <hr/>

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5 Total expenditure:	2022	2021
	Unrestricted	Unrestricted
	fund	fund
	£	£
i) Charitable activities:		
Grants payable (see note 4)	418,546	545,880
Support costs:		
Travel and subsistence	1,386	-
Administration	2,433	-
Printing, postage and stationery	-	23
Bank charges	2,564	2,047
	<hr/> 424,929	<hr/> 547,950
ii) Governance costs		
Audit and accountancy	4,764	4,578
	<hr/>	<hr/>
Total expenditure on charitable activities	<hr/> 429,693	<hr/> 552,528
6 Other	2022	2021
	£	£
Gain (loss) on foreign exchange retranslation	3,868	(9,030)
	<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 £388 (2021: £23). The number of trustees reimbursed for expenditure relating to travel and subsistence was two (2021: one reimbursed).

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

8 Investments

Listed investments

	2022	2021
	£	£
Market value at 1 April 2021	15,558,211	11,061,586
Additions at cost	2,768,782	1,681,029
Disposals at carrying value	(850,000)	-
Unrealised gain on revaluation	2,291,560	2,815,596
	<hr/>	<hr/>
Market value at 31 March 2022	19,768,553	15,558,211
	<hr/>	<hr/>
Historical cost at 31 March 2022	14,738,021	12,695,951
	<hr/>	<hr/>
Listed investments at market value comprised:		
UK equity shares	4,712,341	3,545,868
Overseas equity shares	11,737,822	8,601,031
Bonds	3,318,390	3,411,312
	<hr/>	<hr/>
	19,768,553	15,558,211
	<hr/>	<hr/>

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 mid market value from the appropriate stock exchange or bid price from the relevant fund manager, or last traded price where applicable.

9 Debtors

	2022	2021
	£	£
Gift aid recoverable	250,000	250,000
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	5,763	4,578
	<hr/>	<hr/>

THE JOHN HORSEMAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11 Analysis of net assets between funds	2022
	£
Fixed asset investments	19,768,553
Current assets	8,333,661
Current liabilities	(5,763)
	<hr/> 28,096,451 <hr/>

Analysis of net assets between funds - previous year

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

12 Commitments	2022	2021
	£	£
Commitments payable in 1 year	141,500	72,000
Commitments payable in over 1 year	263,000	291,000
	<hr/>	<hr/>
Amount of commitments as at 31 March 2022	404,500	363,000
	<hr/>	<hr/>

In addition, at the year end, the charity had annual grant commitments of £181,140 (2021: £114,240).

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 (2021: £5,000) was made to Greenacres Education Trust, a charity of which J R Horseman is a trustee.