

EDWARD SMART CHARITABLE TRUST

REGISTERED CHARITY NO: 1126892

ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2022

EDWARD SMART CHARITABLE TRUST

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EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022

Charity Name	The Edward Smart Charitable Trust
Registered Charity No	1126892
Governing Instrument	Will of Edward Kenneth Smart, who died on 13 July 2007
Trustees	Mr David Swanson SG Kleinwort Hambros Trust Company (UK) Limited
Directors of SG Kleinwort Hambros Trust Company (UK) Ltd	Rachel Iles George Ryan David Bromley Delyth Richards
Principal Office	One Bank Street, Canary Wharf, London E14 4SG
Bankers and Investment Managers	SG Kleinwort Hambros Trust Company (UK) Limited One Bank Street, Canary Wharf, London E14 4SG
Independent Examiners	Samantha Rouse FCCA DChA, Kreston Reeves LLP 37 St Margaret's Street, Canterbury, Kent CT1 2TU

Constitution and objects

The Edward Smart Charitable Trust is constituted under the Will of Edward Kenneth Smart and is a registered charity under Charity Commission reference number 1126892. Mr Edward Smart died on 13 July 2007 and the residue of his Estate was applied to the Charitable Trust. The objects of the charity are to apply the income and all or such parts of the capital for such exclusively charitable objects and purposes in any part of the world as the Trustees may in their discretion think fit.

Organisation

The Trustees assess grant applications and consider the making of appropriate grants once a year.

Appointment of Trustees

The power to appoint new Trustees rests collectively with the Trustees. Trustees are selected for their expertise and experience. New Trustees receive copies of the governing document and details of the administrative procedures, history and policies of the charity. In addition, all new Trustees are given guidance material published by the Charity Commission on the responsibilities of being a Trustee. The Trustees are kept informed about the Trust and relevant developments in the charity sector when appropriate. The maximum number of Trustees is four.

Grant Making Policy

Whilst retaining its general scope, it is intended that the charity will give grants to support the education of disadvantaged young women in the UK and India.

Financial Review

The expendable endowment fund generates income which is used towards satisfying the grant making policy in accordance with the objects of the charity. As at 5 April 2022 the expendable endowment fund stood at £1,042,881.49 (2021: £1,027,756).

EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2022

The income in the year was £34,990.12 (2021: £35,466) and the expenditure was £65,455.13 (2021: £59,493).

The charity also recognised a gain on the market value of its investments of £45,755.91 (2021: gain of £110,779)

Achievements of the Trust

The Charity's aims were carried out for the public benefit. This year the charity was able to make grants totalling £31,541.43 to one charitable cause (2021 : £26,807 to one charitable cause). The Trustees have not entered into any commitments which would affect the financial position of the charity.

Investment policy and performance

The charity has power to invest in such assets as it sees fit. The Trustees have appointed SG Kleinwort Hambros Bank Limited as investment managers to manage the majority of the charity assets and have been provided with an overall policy statement. The Trustees will review the investment strategy every 12 months.

Reserves Policy

The charity has total reserves of £1,042,881.49 (2021: £1,027,756) of which £1,042,881.49 (2021: £1,027,756) were expendable endowment funds and £nil (2021: £nil) were unrestricted funds. The Trust's reserves are primarily investments which are held to generate income and capital growth which provide funds to make grants in accordance with the Trust's objects. The Trustees consider that the level of reserves is appropriate to meet current activities.

Risk Management

The Trustees have examined the major strategic, business and operational risks that the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

The Trustees have identified the following risks:

<u>Risk identified</u>	<u>Action taken to mitigate the risk</u>
- Investments will drop in value	- Trustee's have appointed a professional firm to manage the investments
- Donations made will not be spent how the trustee's would like	- Trustee's actively review the donations and ask for updates and reports

Key Management Personnel

The Trustees consider the Board of Trustees to be the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. Details of trustees' expenses and related party transactions are disclosed in note 9 to the accounts.

Public Benefit Statement

The Trustees have referred to the Charity Commission's guidance on Public Benefit when reviewing their aims and objectives and planning their future activities. The Trustees believe that their strategic grant making activities meet the objective of benefiting a wide cross-section of the community. The Trustees ensure that a robust monitoring system is in place to establish the benefit derived from each grant, in order to be confident of meeting their public benefit obligations.

Going Concern

The Trustees are of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Charity's ability to do so.

EDWARD SMART CHARITABLE TRUST

**TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2022**

Fundraising

The trust does not undertake any fundraising activities.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report 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 and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of the incoming resources and application of resources of the charity for that period.

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 and statements of recommended practice 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 to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by the Trustees and signed on behalf of the Trustees by:

Dated:

EDWARD SMART CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

I report on the Trustees on my examination of the accounts of The Edward Smart Charitable Trust for the year ended 5 April 2022 which are set out on pages 5 to 12.

Respective responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

I report in respect of my examination of the Trust's accounts as carried out under section 44 (1) (c) of the 2005 Act and section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. the accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Samantha Rouse FCCA DChA
Kreston Reeves LLP
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Date .03/04/2022.....

EDWARD SMART CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2022

	Note	Unrestricted Fund £	Expendable Endowment £	Total 2022 £	Total 2021 £
Income and Endowments					
Investments:					
Investment Income	2	34,990.12	-	34,990.12	35,465.74
Total Income and Endowments		34,990.12	-	34,990.12	35,465.74
Expenditure					
Cost of raising funds:					
SGKH Investment					
Management Fee	5	-	18,739.70	18,739.70	18,318.74
Expenditure on charitable activities:					
Donations	3	31,541.43	-	31,541.43	26,807.84
Support Costs	4	1,854.00	13,320.00	15,174.00	14,366.16
Total Expenditure		(33,395.43)	(32,059.70)	(65,455.13)	(59,492.74)
Net Expenditure		1,594.69	(32,059.70)	(30,465.01)	(24,027.00)
Transfer between funds		(1,594.69)	1,594.69	-	-
Expenditure before gains/(losses) on investments		-	(30,465.01)	(30,465.01)	(24,027.00)
Gains/(Losses) on Investments					
Realised Gains	7	-	21,084.81	21,084.81	20,294.50
Unrealised Gains	7	-	24,671.10	24,671.10	90,485.50
(Losses) on Foreign Exchange		-	(165.41)	(165.41)	(1,042.98)
		-	45,590.50	45,590.50	109,737.02
Net Movement in Funds in the Year		-	15,125.49	15,125.49	85,710.02
Funds					
At 5 April 2021		-	1,027,756.00	1,027,756.00	942,045.98
Net Movement of Resources in the Year		-	15,125.49	15,125.49	85,710.02
At 5 April 2022		-	1,042,881.49	1,042,881.49	1,027,756.00

All operations are continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

EDWARD SMART CHARITABLE TRUST

**BALANCE SHEET
FOR THE YEAR ENDED 5 APRIL 2022**

	Note	£	2022 £	£	2021 £
Fixed Assets					
Investments	7		1,053,052.79		1,038,165.17
Current Assets					
Debtors	8	163.42		-	
Cash at Bank		9,386.46		9,143.19	
		<u>9,549.88</u>		<u>9,143.19</u>	
Current Liabilities					
Creditors, amounts falling due within one year	9	19,721.18		19,552.36	
		<u>19,721.18</u>		<u>19,552.36</u>	
Net Current Assets			(10,171.30)		(10,409.17)
Assets less Current Liabilities			<u>1,042,881.49</u>		<u>1,027,756.00</u>
Capital Fund					
Expendable Endowment	12		1,042,881.49		1,027,756.00
Income Fund					
Unrestricted Fund	12		-		-
			<u>1,042,881.49</u>		<u>1,027,756.00</u>

Approved by the Trustees and signed on behalf of the Trustees by:

Dated:
SG Kleinwort Hambros Trust Company (UK) Limited

EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1 Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable UK and Republic of Ireland (FRS102) - (Charities SORP (FRS102) (Second Edition)).

The Edward Smart Charitable Trust meets to definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees are of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Charity's ability to do so,

Investment Income

Income arising from investments is accounted for when it is receivable.

Expenditure

Expenditure is included on an accruals basis.

Grants payable are charged in the year which the offer is conveyed to the recipient except where the grant is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions that have not been met at the year-end are noted as a commitment but not accrued expenditure.

Support costs comprise management and administration costs for the running of the charity itself as an organisation.

Governance costs comprise costs associated with complying with constitutional and statutory requirements.

Fixed asset Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Assets (SOFA).

Foreign currency translation

The charities functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

Unrestricted Funds

These comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Expendable Endowment Fund

The expendable endowment fund is a fund that must be invested to produce income but the Trustees have a power to convert all or part of it into an income fund which can then be spent.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustee's best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The Trustees do not consider there to be any material estimates and judgements.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

2 Investment Income	2022	2021
	£	£
Income from UK Listed Securities	34,826.70	35,465.74
Tax Reclaimable	163.42	-
	34,990.12	35,465.74

3 Grants Made

During the year to 5 April 2022 the charity made grants totalling £31,541.43 (2021: £26,807.84). Grants are listed below.

	2022	2021
	£	£
Royal Masonic School for Girls	31,541.43	26,807.84
	31,541.43	26,807.84

EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

4 Support Costs

	2022 £	2021 £
Corporate Trustee's Fee	13,320.00	13,320.00
Website Cost	-	218.16
	13,320.00	13,538.16

5 Raising Funds

SG Kleinwort Hambros Investment Management Fees	18,739.70	18,318.74
	18,739.70	18,318.74

6 Governance Costs

Independent Examination	1,800.00	828.00
Prior Year Independent Examination Adjustment	54.00	-
	1,854.00	828.00

7 Investments

	2022 £	2021 £
Market Value Brought Forward	1,023,746.48	886,161.00
Purchases	268,624.02	470,097.48
Disposals	(347,820.93)	(443,292.00)
	944,549.57	912,966.48
Realised Gains	21,084.81	20,294.50
Unrealised Gains	24,671.10	90,485.50
Market Value	990,305.48	1,023,746.48
Cash on SG Kleinwort Hambros Account	62,747.31	14,418.69
Total Investments	1,053,052.79	1,038,165.17

EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

8 Debtors	2022	2021
	£	£
Tax Repayment Due - HM Revenue & Customs	163.42	-
	163.42	-
 9 Creditors, amounts falling due within one year	 2022	 2021
	£	£
SGKH Trustee Fees	13,320.00	13,320.00
Independent Examiner's fees	1,800.00	1,668.00
SGKH Bank Limited	4,601.18	4,564.36
	19,721.18	19,552.36

10 Related party transactions and trustee' expenses and remuneration

SG Kleinwort Hambros Trust Company (UK) Limited, a trustee, is responsible for the general administration and accountancy for the charity. In the year to 5 April 2022 fees were charged in the accounts for the company's services of £13,320 (2021: £13,320).

No Trustees were reimbursed expenses in respect of the year to 5 April 2022 (2021: £ Nil).

There were no other related party transactions during the year.

EDWARD SMART CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

11 Comparative Statement of Financial Activities

	Unrestricted Fund £	Expendable Endowment £	Total 2021 £
Income and Endowments			
Investments:			
Investment Income	35,465.74	-	35,465.74
Total Income	35,465.74	-	35,465.74
Expenditure			
Cost of raising funds:			
SGKH Investment Management Fee	-	(18,318.74)	(18,318.74)
Expenditure on charitable activities:			
Donations	(26,807.84)	-	(26,807.84)
Support Costs	(14,366.16)	-	(14,366.16)
Total Expenditure	(41,174.00)	(18,318.74)	(59,492.74)
Net Expenditure before gains on investments	(5,708.26)	(18,318.74)	(24,027.00)
Net gains/(losses) on investments	-	110,780.00	110,780.00
Foreign exchange (loss)	-	(1,042.98)	(1,042.98)
Net Expenditure	(5,708.26)	91,418.28	85,710.02
Transfer between funds	5,708.26	(5,708.26)	
Net Movement in Funds in the Year	-	85,710.02	85,710.02
Funds			
At 5 April 2020	-	942,045.98	942,045.98
Net Movement of Resources in the Year	-	85,710.02	85,710.02
At 5 April 2021	-	1,027,756.00	1,027,756.00

EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

12 Analysis of Net Assets Between Funds

	Unrestricted Fund	Expendable Endowment Fund	Total
	£	£	£
2022			
Investments	-	1,053,052.79	1,053,052.79
Current assets	15,120.00	(5,570.12)	9,549.88
Current liabilities	(15,120.00)	(4,601.18)	(19,721.18)
	<u>-</u>	<u>1,042,881.49</u>	<u>1,042,881.49</u>
	<u>-</u>	<u>1,042,881.49</u>	<u>1,042,881.49</u>
2021			
Investments	-	1,038,165.00	1,038,165.00
Current assets	14,988.00	(5,845.00)	9,143.00
Current liabilities	(14,988.00)	(4,564.00)	(19,552.00)
	<u>-</u>	<u>1,027,756.00</u>	<u>1,027,756.00</u>
	<u>-</u>	<u>1,027,756.00</u>	<u>1,027,756.00</u>