

THE CHILDWICK TRUST
(A Company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2022

Charity number 1150413
Company number 08224553

THE CHILDWICK TRUST
(A Company limited by guarantee)
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THE CHILDWICK TRUST
(A Company limited by guarantee)
TRUSTEES' REPORT
For the year ended 31 March 2022

The Trustees present their annual report together with the 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 13 to 15 and comply with the Charities Act 2011, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland published in October 2019 and the Companies Act 2006.

Objectives and Activities

The charitable company commenced operation on 1 April 2013 when it took over the activities of the unincorporated charity, The Childwick Trust (Charity Commission reference 326853).

The principal objects of the Trust are as follows:

- a) To assist the aged in need including the former employees of the Settlor of The Childwick Trust and of companies associated with the Settlor and the families of such former employees.
- b) To make payments to charities or for charitable objects connected with horse racing or horse breeding within the United Kingdom or people involved with horse racing or horse breeding who shall be in need.
- c) To make payments to or for the benefit of Jewish charities for the promotion of the Jewish faith or support of Jews in need within the United Kingdom.
- d) To support charities and charitable objects for the education and benefit of people and the families of people who intend to work, are working or have worked in the mining industry in the Republic of South Africa.
- e) To support the education of people resident in the Republic of South Africa and to provide grants and scholarships for such individuals to assist in their education whether in South Africa or elsewhere.
- f) To make payments for the benefit of charities within the United Kingdom for the promotion of health and particularly for the relief of the disabled.

Grant-making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust's aim is to improve the lives of those in need as detailed in its objects. The Trustees review the grant making policy annually to ensure that it reflects the charity's objects and thereby advances public benefit.

All applications are made via the Trust's website. UK applications are only accepted during April and October for consideration at the Trustees' meetings in January and July. South African applications are only accepted during April for consideration at the Trustees' meeting in July. Applications are assessed before each meeting to check that they meet the Trust's objects. To further this, the Trustees and Trust Administrator undertake a number of visits to both potential and current beneficiaries.

Public benefit

The principal activities of the Trust exist for public benefit.

The Trustees confirm that, to the best of their knowledge and belief, they have complied with section 17 of the Charities Act 2011 with respect to having due regard to Public Benefit Guidance published by the Charity Commission.

Covid-19

The Trust once again increased its recurring grants budget for 2021/22 in order to provide greater assistance to beneficiary charities affected by Covid-19. The increase was £500,000 compared to an increase of £1m during the height of the crisis in 2020/21. The activities of the Trust were not otherwise materially affected except that it was not possible to maintain the normal pattern of trustee visits to UK and South African beneficiaries. The Trust's staff were not furloughed and no government assistance was provided to the Trust.

Achievements and Performance

In the 30 years since the death of the Settlor, The Childwick Trust, from its original unincorporated charity through to its current incorporated status, has awarded grants and donations of approximately £83 million. An analysis of grants per object is set out in Note 14 to the financial statements and a list of the main grants and donations during the year is available on the Trust's website (www.childwicktrust.org). During the year the Trust received and processed 543 (2021: 593) grant applications and awarded 256 (2021: 313) separate grants and donations totalling £3,562,953 (2021: £3,620,498). In addition, the Trust supported three (2021: six) former employees of the settlor or their dependants at a cost of £34,448 (2021: £101,283).

Monitoring of Grants

The Covid restrictions on travel continued to prevent the Trustees from carrying out their normal pattern of visits to beneficiaries in both the UK and South Africa during 2021/22. These Trustee visits, taken together with the annual reports of grantees, help to provide information about the impact of individual grantee charities on their own beneficiaries. In a normal year the Trustees report back to the Board on a regular basis following visits and this approach, together with the investigations undertaken by the Administrator, informs the decision-making process which the Trust follows. In the absence of the usual number of visits during 2021/22, the Trustees have continued to rely upon the accounts and annual reviews of the beneficiaries' activities together with virtual contact with the beneficiary charities, when feasible.

The Trustees consider that the grants allocated to South Africa require a higher level of individual monitoring in terms of both effectiveness and appropriateness. Up to 2020/21 most of the Trust's long-standing beneficiaries and pre-schools had been visited in the previous three years, together with potential projects for possible inclusion as future grantees. The visits are intended to allow the trustees to monitor very directly the effectiveness of the grantees and the impact of their work on the ultimate beneficiaries. Discussions also take place with South Africa-based Trusts that support pre-school education (ECD) in order to share experience of developments in the sector and best practice.

The Trust has the guidance and advice of a consultant, Mrs Giuliana Bland, who is based in Johannesburg and is well-known in the South African ECD community. She provides the Trustees with regular reports about developments in the ECD sector and she also monitors progress of the grants awarded, makes ad hoc visits and undertakes due diligence on behalf of the Trust. The consultant often accompanies the Trustees on their visits and reports formally at the Trustees' July meeting when grants to South Africa are considered.

It is not yet certain that Trustee visits to South Africa will be possible during the current financial year, 2022/23, but the Trustees hope that separate visits will be possible in October 2022 and March 2023. Meanwhile, the Trustees will continue to rely on the visits to ECD beneficiaries made by Mrs Bland, together with her virtual contacts and monthly reports.

Grant-making

The Trustees retain discretion but seek to distribute each year and in normal circumstances, by way of grants, approximately 4% of the value of the investment portfolios although with a view to maintaining the real value of the Trust's assets in line with the overall investment policy.

United Kingdom

The Trustees agreed to make an additional £500,000 (2021: £1m) of grants to charities based in the UK under the "Health" Object. These grants represented 59.08% of total grants (2021: 69.73%). Grants to Jewish charities increased by 12% over the previous year. The lower comparative figure for grants to racing charities, which principally provide support for stable staff, reflects the fact that a substantial grant for 2020/21 was paid in late 2019/20 and was therefore reflected in the 2019/20 accounts.

South Africa

In South Africa, the Trust concentrates on grants for Early Childhood Development (ECD) and the Trust supports up to 40 ECD organisations. During the year under review, grants to the ECD sector totalled £804,680 (SA Rand 16,000,000) (2021: £695,572 (SA Rand 15,000,000)). The cost to the Trust of the increase in the Rand value of grants was further increased by the relative strength of the Rand. Grants to South African ECD projects during the year represented 22.37% (2022: 18.70%) of the Trust's annual total distributions.

Covid-19 caused great stress in many ways to the ECD sector in South Africa and this is likely to have long-lasting consequences. The closure of pre-schools, the lack of funding during lockdown and the additional burdens of meeting Covid-19 protocols, once the schools were allowed to re-open, has added enormously to financial

burdens. The effect on many children has been not only the loss of schooling at a critical period of their lives but it has also deprived the children of a regular source of nutrition, with potentially long-term effects.

The Trustees recognise the wider importance to ECD in South Africa of its funding and remain committed to the ECD sector which will continue to be the focus of their grant-giving activities in South Africa. The Trust has supported ECD in South Africa for more than 25 years and is one of the longest continuing providers of funds to the ECD sector.

Financial Review

During the year under review the net assets of the Trust increased by £1,308,243 to £88,343,805 (2021: increased by £11,020,478 to £87,035,562). Grant expenditure decreased by 3% to £3,597,401 (2021: increased by 21% to £3,721,781) but represented over 4.5% of the Trust's investment portfolio. Investment income increased by 11% to £1,900,586 (2021: decreased by 23% to £1,708,002).

The Statement of Financial Activities is presented on page 10.

The Trust does not carry out any fundraising activities.

Investment Policy and Review

The Trustees have adopted an investment policy that balances the requirement for income and the long-term protection of the Trust's assets. The Trust invests on a total return basis with the Trustees having wide powers to supplement income from capital if required.

The Trust's assets comprise investment portfolios managed by professional managers as well as direct ownership of a number of properties. The investment portfolios include direct equities, fixed interest securities and collective investment schemes which may include the use of derivatives to protect the Trust's assets and reduce volatility. The Trustees maintain regular contact with their investment managers and receive monthly valuations and a quarterly market commentary. Formal review meetings take place at least twice a year.

Since 2011, the Trust's investment portfolios have been split between two discretionary investment managers with different investment strategies and asset spreads, in order to increase diversification and reduce risk. At 31 March 2022 total investments were split 57/43% between the two portfolios. The larger portfolio is mainly equity based and the smaller portfolio uses protection strategies designed to reduce volatility in the event of a major market fall. This strategy has been particularly effective in protecting values during the recent market volatility. Over the last 12 years (since inception), the two investment portfolios have produced annualised total returns (net of management fees) of 7.2% and 5.9%, respectively. RPI has been 3.2% during this period. The Trustees have set a long-term objective of achieving an annual return of 4% plus RPI. This demanding target will be kept under review.

The Freehold Properties and Investment Properties, which were formally re-valued as at 31 March 2019 by Strutt & Parker LLP, provide income and capital diversification to the predominately equity-based investments held by the Trust. A property previously occupied by a pensioner was transferred to Investment Properties this year when it became vacant.

Principal Risks and Uncertainties

The principal risks faced by the Trust lie first in the performance of investments and the variability of returns on the portfolio and secondly, in the appropriate allocation of grants. Investment risk is mitigated by retaining expert investment managers and appropriately experienced Trustees and having diversified portfolios. The investment policy referred to above helps to stabilise the resources available for grant making. The risk of inappropriate allocation is mitigated by the oversight of grantees by the Trustees (as addressed in Monitoring of Grants above).

The Trustees have prepared a budget to 31 March 2023 which assumes that further unrestricted reserves will be used. They have also considered the potential cash requirements for the year to 31 March 2023 and one year from the date of signing these financial statements. They note that the charity has a readily realisable investment portfolio and they do not believe that the utilisation of the unrestricted reserves will have a material impact on the charity.

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TRUSTEES' REPORT
For the year ended 31 March 2022

Reserves

The Trust's investment portfolios are managed to produce a total return and whilst all the income generated from its investments is available for distribution, capital is also utilised as required, in order to meet the Trust's grant making commitments. As at 31 March 2022, the Trust's unrestricted funds were just over £88 million (2021: just over £87 million).

Plans for the future

The Trustees' current aim is to continue with the current investment policy and to make grants in line with the long-term investment return objectives. This ambition will be kept under review and may have to be modified if the effects of the Covid crisis are prolonged.

Structure, Governance and Management

The Childwick Trust is a company limited by guarantee (company number 08224553) which was incorporated on 21 September 2012 and registered with the Charity Commission on 9 January 2013 (Registered Number 1150413). It is administered from 9 The Green, Childwick Bury, St Albans, Hertfordshire, AL3 6JJ. It is governed by its Memorandum and Articles of Association dated 17 September 2012. The Articles of Association were changed in February 2022 to allow a Trustee, who would have been obliged to retire at age 75, to continue as a trustee beyond that age, subject to annual re-appointment.

Appointment of Trustees

A new Trustee can only be appointed with the unanimous approval of the existing Trustees. The minimum number of Trustees allowed under the Memorandum and Articles of Association is three and the maximum is seven. The Trustees seek to maintain a balance of skills and expertise on the Board.

The induction process for new Trustees would comprise a meeting with the Chairman and the Board outlining the responsibilities of a Trustee, a study of the Trust Deed and a perusal of copies of the Minutes of previous meetings and of the last three years' Annual Report and Accounts. The induction would also include an overview of the grant making process with the Trust Administrator.

Trustee indemnity insurance

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the Trust.

Key management personnel remuneration and related party transactions

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no Trustee remuneration was paid in the year. Any connections between a Trustee and a supplier or grant recipient of the charity must be disclosed to the Board of Trustees. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 15 to the accounts.

Reference and administrative details

The Board of Trustees from 1 April 2021 and to the date of this report comprised:

P D Anwyl-Harris	Chairman
M P Farmar	
C M Maurice	
Dr A P O Stranders	
J D Wood	
M J A Fiddes	

Trust Administrator and Registered Office

Mrs Kirsty Jones, 9 The Green, Childwick Bury, St. Albans, Herts, AL3 6JJ

Charity Registration Number: 1150413

Company Registration Number: 08224553

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Principal Advisors:

Auditor

RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP

Managing Agents

Strutt & Parker
15 London Road
St Albans
Herts AL1 1LA

Investment Managers

Cazenove Capital
1 London Wall London
EC2Y 5AU

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Bankers

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Investec Bank Limited
100 Grayston Drive
Sandown
Sandton 2196
South Africa

Solicitors

Debenhams Ottaway
Ivy House
107 St Peter's Street
St Albans, Herts AL1 3EW

Maurice Turnor Gardner LLP
15th Floor, Milton House
Milton Street
London, EC2Y 9BH

Small company exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Statement as to Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of the financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Childwick Trust for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable UK accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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For the year ended 31 March 2022

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees:



P D Anwyl-Harris

Approved on: 19 July 2022

THE CHILDWICK TRUST

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDWICK TRUST

Opinion

We have audited the financial statements of The Childwick Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 charitable company'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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDWICK TRUST

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Housing Act 1988. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and enquired as to the existence of any correspondence with regulatory authorities of which there was none.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

SARAH MASON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard,

Milton Keynes,

Buckinghamshire,

MK9 1BP

Date: 19 July 2022

THE CHILDWICK TRUST
(A Company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
For the year ended 31 March 2022

	Note	Year ended 31 March 2022 Unrestricted funds £	Year ended 31 March 2021 Unrestricted funds £
Income from:			
Donations and legacies		2,500	-
Investments			
Rent receivable		288,459	238,518
Listed investments		1,612,111	1,461,994
Interest received		84	7,490
		<u>1,900,654</u>	<u>1,708,002</u>
Gain on the disposal of plant, property and equipment		-	263,638
Total		<u>1,903,154</u>	<u>1,971,640</u>
Expenditure on:			
Raising funds			
Investment management costs	3	898,130	790,031
Property management, repairs and maintenance costs	3	175,372	168,327
		<u>1,073,502</u>	<u>958,358</u>
Charitable activities			
Grants and donations payable	3	3,729,509	3,829,031
Total		<u>4,803,011</u>	<u>4,787,389</u>
Net expenditure before gains on investments		(2,899,857)	(2,815,749)
Net gains on investments	4	4,208,100	13,836,227
		<u>1,308,243</u>	<u>11,020,478</u>
Net movement in funds		<u>1,308,243</u>	<u>11,020,478</u>
Reconciliation of funds:			
Total funds brought forward at 1 April		87,035,562	76,015,084
Total funds carried forward at 31 March		<u>88,343,805</u>	<u>87,035,562</u>

The notes on pages 13 to 22 form part of these financial statements.

		31 March 2022 £	31 March 2021 £
FIXED ASSETS			
Tangible Assets	8	1,205,000	1,590,000
Investments			
Investment Properties	8a	7,921,438	7,361,438
Listed Investments	9	78,454,993	77,275,245
Unlisted Investments	9a	-	210,700
		<u>86,376,431</u>	<u>84,847,383</u>
		<u>87,581,431</u>	<u>86,437,383</u>
CURRENT ASSETS			
Debtors	10	83,700	89,983
Cash at bank and in hand		930,490	715,350
		<u>1,014,190</u>	<u>805,333</u>
Creditors: Amounts falling due within one year	11	(251,816)	(207,154)
		<u>762,374</u>	<u>598,179</u>
NET CURRENT ASSETS			
		<u>88,343,805</u>	<u>87,035,562</u>
TOTAL NET ASSETS			
THE FUNDS OF THE CHARITY:			
Unrestricted Funds			
- General	12	<u>88,343,805</u>	<u>87,035,562</u>

The financial statements on pages 10 to 22 were approved by the Trustees and authorised for issue and signed on their behalf:

P D Anwyl-Harris

(Trustee)



M P Farmar

(Trustee)



Approved on: 19 July 2022

The notes on pages 13 to 22 form part of these financial statements

THE CHILDWICK TRUST
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STATEMENT OF CASHFLOWS
For the year ended 31 March 2022

	Note	2022 £	2021 £
Operating activities:			
Net cash used in operating activities	13	(4,749,498)	(4,884,279)
Investing activities:			
Dividends, interest and rents from investments		1,900,586	1,708,002
Proceeds from the sale of property, plant and equipment		-	793,638
Proceeds from sale of investments		29,470,966	24,356,199
Purchase of investments		(26,406,914)	(22,154,366)
Net cash from investing activities		4,964,638	4,703,473
Change in cash and cash equivalents in the reporting period		215,140	(180,806)
Cash and cash equivalents at 1 April		715,350	896,156
Cash and cash equivalents at 31 March	13	930,490	715,350

1) **Accounting Policies**

a) **General information**

The Charitable Company is a private company limited by guarantee and was incorporated in England and Wales, company registration number 08224553. The registered office address is 9 The Green, Childwick Bury, St. Albans, Herts, AL3 6JJ. The principal activity of the company is as detailed in the Trustees' Report.

b) **Basis of accounting**

These financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings and to include investment properties and certain financial instruments at fair value. 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) issued in October 2019 and the Charities Act 2011 and Companies Act 2006.

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

c) **Going concern**

These accounts have been prepared on a going concern basis as the Trustees believe that the income from the investments is enough to sustain the day to day running of the Trust and to meet its objectives.

d) **Fixed assets and depreciation**

All assets costing more than £1,000 are capitalised. Freehold land and buildings are stated at their current vacant possession value, with the exception of those where regulated tenants are in place. Those properties have been discounted to reflect this impact of their fair value. Valuations by professionally qualified valuers are carried out every five years and values are reviewed by the Trustees, on the basis of professional advice, between formal valuations. The revaluation gains and losses are recognised in the Statement of Financial Activities.

No depreciation is provided on freehold land and buildings on the basis that their current residual value is equal to or greater than the carrying value, and that land is not depreciated.

e) **Funds structure**

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

f) **Income recognition**

All income is included within the financial statements for amounts receivable at the Balance Sheet date. It consists of investment income from listed investments, bank interest from deposits held and rental income from properties.

1) **Accounting Policies (continued)**

g) **Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

h) **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the trust to the expenditure.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (i) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. Unconditional grants and donations are charged to the Statement of Financial Activities once they are approved for payment by the Trustees and notified to the beneficiaries, and include grants made and an apportionment of overhead and support costs.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

i) **Support costs**

Support costs, including governance costs, are allocated on a reasonable and consistent basis according to the time and resources spent within each charitable area. Governance costs consist of the cost of auditing the Trust, expenses of the Trustees and an appropriate allocation of staff time. The allocation of support costs is analysed in note 3.

j) **Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening fair value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening market value (or purchase date if later).

k) **Financial instruments**

The Trust's financial assets and liabilities comprise investment assets held in a managed investment portfolio (refer to investments accounting policy), short term deposits, cash at bank and in hand, other debtors, trade creditors, grants and donations payable, other creditors and accruals.

Other debtors which are receivable within one year are initially measured at the transaction price and are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Trade creditors, grants and donations payable, other creditors and accruals are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

1) **Accounting Policies (continued)**

l) **Critical accounting estimates and assumptions**

The Trust makes estimates and assumptions concerning the future. The resulting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that the only significant estimate relates to the valuation of the property portfolio which has been revalued by the Trustees at 31 March 2022 on the basis of known changes to property prices in the area in the absence of a formal valuation.

m) **Investments**

Investments in quoted securities are included within the Balance Sheet at the market value existing at the reporting date.

Cash held for reinvestment as part of the investment portfolio is included in investments. Investments in unquoted securities are included at cost less impairment as their fair value cannot be measured reliably.

Investment properties are also included in the Balance Sheet at the market value existing at the reporting date, in accordance with FRS102.

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2) **Members' guarantee**

The Charitable Company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum not exceeding £1 to the company should it be wound up. At 31 March 2022 there were six members (2021: six) and the liability of every member is limited to £1 (2021: £1).

3) **Expenditure**

	Direct Costs £	Support Costs £	Total 2022 £	Total 2021 £
Expenditure on raising funds:				
Investment management costs	898,130	-	898,130	790,031
Property management, repairs and maintenance costs	151,874	23,498	175,372	168,327
	<u>1,050,004</u>	<u>23,498</u>	<u>1,073,502</u>	<u>958,358</u>
Expenditure on charitable activities:				
Grants and donations:				
United Kingdom	2,758,273	117,954	2,876,227	3,033,323
South Africa	804,680	28,385	833,065	723,857
Pensioners' welfare costs	34,448	2,765	37,213	107,816
	<u>3,597,401</u>	<u>149,104</u>	<u>3,746,505</u>	<u>3,864,996</u>
Profit on foreign currency	(16,996)	-	(16,996)	(35,965)
	<u>3,580,405</u>	<u>149,104</u>	<u>3,729,509</u>	<u>3,829,031</u>
	<u>4,630,409</u>	<u>172,602</u>	<u>4,803,011</u>	<u>4,787,389</u>

	2022 £	2021 £
Support costs:		
Office running costs	14,675	15,857
Staff costs	67,293	64,718
Legal and professional fees	34,166	33,417
Bank charges	1,994	2,110
Office and administration costs	13,171	11,877
Governance costs (3(a))	41,303	33,527
	<u>172,602</u>	<u>161,506</u>

	2022 £	2021 £
(a) Governance Costs:		
Administration staff costs	10,154	10,009
External audit fees	21,522	20,400
Trustees' meetings	3,641	1,809
Trustees' expenses (including site visits)	5,986	1,309
	<u>41,303</u>	<u>33,527</u>

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	2022	2021
	£	£
4) Net gains/(losses) on investments		
Realised and unrealised gains on investments	4,243,800	13,838,727
Impairment of unlisted investments	(210,700)	(52,500)
Revaluation of investment properties	175,000	50,000
	<u>4,208,100</u>	<u>13,836,227</u>

	2022	2021
	£	£
5) Net Expenditure		
Net expenditure is stated after charging/(crediting):		
Reporting Auditors fees:		
Audit fee – current year	21,522	20,400
Accountancy services	-	3,900
Gain on disposal of plant, property and equipment	-	263,638
Profit on foreign currency	(16,996)	(35,965)
Rental income	(288,459)	(238,518)
	<u></u>	<u></u>

	2022	2021
	No.	No.
6) Staff Costs		
The average number of full and part-time employees during the year was:		
Part-time	2	2
	<u>2</u>	<u>2</u>

	2022	2021
	£	£
Staff costs for the above persons:		
Wages and salaries	67,325	64,651
Social security costs	2,850	2,497
Employer's pension costs	7,272	7,579
	<u>77,447</u>	<u>74,727</u>

No member of staff earned in excess of £60,000.

7) **Payments to Trustees**

The Trustees received no remuneration for their work as Trustees. The Trustees are considered to be the only key management personnel.

Trustees' expenses during the period under review were as follows:

	2022 £	2021 £
Trustees' meetings and travel	5,986	1,309
	<u> </u>	<u> </u>

	2022 No.	2021 No.
Number of Trustees incurring expenses in the period	6	3
	<u> </u>	<u> </u>

8) **Tangible Fixed Assets**

	Freehold Land and Buildings £
Valuation	
As at 1 April 2021	1,590,000
Transfer to Investment Properties	(385,000)
	<u> </u>
As at 31 March 2022	1,205,000
	<u> </u>
Depreciation	
As at 1 April 2021 and 31 March 2022	-
	<u> </u>
Net Book Value	
As at 31 March 2022	1,205,000
	<u> </u>
As at 31 March 2021	1,590,000
	<u> </u>

**Total
£**

8a) **Investment Properties**

Valuation	
As at 1 April 2021	7,361,438
Transfer from Tangible Fixed Assets	385,000
Revaluations	175,000
	<u> </u>
As at 31 March 2022	7,921,438
	<u> </u>

8a) Investment Properties (continued)

Investment properties include those properties held to generate a purely commercial rental income. The historic cost of the investment properties carried forward at the Balance Sheet date was £6,361,438 (2021: £5,911,438).

The historic cost of the Freehold Land and Buildings carried forward at the Balance Sheet date was £1,150,000 (2021: £1,600,000).

The Freehold Land and Buildings and investment properties were externally revalued in March 2019, with the trustees performing an internal update to this valuation in March 2022, on a vacant possession basis with some values being discounted to reflect the basis of occupation where regulated tenants are in place. The formal valuation in March 2019 was undertaken by Strutt & Parker, Chartered Surveyors.

No depreciation is provided in respect of investment properties.

	Total £
9) Fixed Asset Investments - Managed Funds	
Valuation	
As at 1 April 2021	77,275,245
Additions to investment portfolio	26,406,914
Disposal proceeds	(29,470,966)
Net gain on revaluation	4,243,800
	<hr/>
As at 31 March 2022	78,454,993
	<hr/> <hr/>

The historical cost of the investments at the year end was £64,013,099 (2021: £59,978,385).

	2022 £	2021 £
Listed securities comprised:		
UK Equities	11,386,372	12,475,974
Overseas Equities	30,149,882	30,304,956
UK Bonds and Gilts	6,175,041	5,056,393
Overseas Bonds	9,213,632	8,405,088
Unit Trusts and Funds	417,866	395,084
Property	5,312,718	4,617,726
Commodities	5,737,884	3,441,824
Other	8,541,561	8,043,047
	<hr/>	<hr/>
	76,934,956	72,740,092
Cash	1,520,037	4,535,153
	<hr/>	<hr/>
	78,454,993	77,275,245
	<hr/> <hr/>	<hr/> <hr/>

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9) **Fixed Asset Investments - Managed Funds (continued)**

Details of material investments are as follows:

	2022	2021
	% value of Portfolio	% value of Portfolio
Ruffer SICAV Fixed income Z GBP	6.58	8.78
Ruffer Illiquid Multi Strategies Fund 2015 Limited	3.55	5.49
The Growth Trust For Charities Income Units	5.86	5.34
Vanguard S&P 500 UCITS Exchange Traded Fund	5.16	5.27
		Total
		£

9a) **Fixed Asset Investments - Unlisted**

Cost	
As at 1 April 2021	210,700
Impairment	(210,700)
As at 31 March 2022	-

The unlisted investment is in Smart Matrix Limited and the company went into administration on 16 December 2021 and it has therefore been fully impaired in the year.

10) Debtors	2022	2021
	£	£
Other debtors	81,170	75,547
Prepayments	2,530	14,436
	83,700	89,983

11) Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	3,886	23,929
Other tax and social security	1,772	1,731
Other creditors	88,867	28,000
Accruals	140,674	138,850
Deferred income	16,617	14,644
	251,816	207,154

Other creditors includes £60,000 of grants payable (2021:£nil).

11) **Creditors: Amounts falling due within one year (continued)**

Deferred income relates to rental income which is received in advance of the forthcoming accounting period. This is released in full in the following year.

12) **Analysis of net assets between funds**

	2022 £	2021 £
Fund balance – Unrestricted	88,343,805	87,035,562
Fund balance is represented by:		
Tangible fixed assets	1,205,000	1,590,000
Investment properties	7,921,438	7,361,438
Fixed asset investments	78,454,993	77,485,945
Current assets	1,014,190	805,333
Current liabilities	(251,816)	(207,154)
Total Net Assets	88,343,805	87,035,562

13) **Reconciliation of net expenditure to net cash used in operating activities**

	2022 £	2021 £
Net income for the year	1,308,243	11,020,478
Adjustments for:		
Gains on investments	(4,208,100)	(13,836,227)
Dividends, interest and rents from investments	(1,900,586)	(1,708,002)
Gain on disposal of plant, property and equipment	-	(263,638)
Decrease in debtors	6,283	28,191
Increase/(decrease) in creditors	44,662	(125,081)
Net cash used in operating activities	(4,749,498)	(4,884,279)

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	930,490	715,350

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14) **Grants and Donations**

An analysis of grants made per object of the Trust is as follows:

	2022 £	2022 %	2021 £	2021 %
Education – South Africa - charitable objects (d) and (e)	804,680	22.37	695,572	18.70
Racing – United Kingdom - charitable object (b)	325,000	9.03	55,000	1.48
Health and associated causes – United Kingdom - charitable objects (a) and (f)	2,125,222	59.08	2,595,526	69.73
Jewish Charities – United Kingdom - charitable object (c)	308,051	8.56	274,400	7.37
	<u>3,562,953</u>		<u>3,620,498</u>	
Pensioners' Welfare – charitable object (a)	34,448	0.96	101,283	2.72
	<u>3,597,401</u>	<u>100.0</u>	<u>3,721,781</u>	<u>100.0</u>

A list of the main grants and donations made during the year are detailed on our website (www.childwicktrust.org). All grants made during the year are to institutions.

15) **Related Party Transactions**

The Trust retains the services of Maurice Turnor Gardner LLP for legal advice. A Trustee, C M Maurice, is a partner in this firm. Any transactions are under normal commercial terms. Fees paid by the Trust in the year amounted to £4,200 (2021: £nil). There were no outstanding balances at the year end (2021: £nil).

During the year grants totalling £15,000 (2021: £nil) were paid to St Bartholomew's Heritage, an incorporated charity of which C M Maurice is a Trustee and Director. There were no balances outstanding at the year end (2021: £nil).

The Trust retains the services of Strutt & Parker, a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited for property management services. A Trustee, M J A Fiddes, was an employee of this firm until 31 December 2021. Any transactions are under normal commercial terms. Fees paid by the Trust up until 31 December 2021 amounted to £37,393 (2021: £56,503). At the year end, no amounts were due to or from Strutt & Parker (2021: £nil).