

Registered Charity No. 1173336
Registered Company No. 10654855 (England & Wales)

Fairy Water Trust
Trustees' report and unaudited financial statements
Year ended 31 March 2023

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Fairy Water Trust

Trustees' and charity information

Trustees	Mark Tellwright Anna Cockell Tiger Tellwright Cockell Finbar Tellwright Cockell Eric Young
Registered address	71 Queen Victoria Street London EC4V 4BE
Charity number	1173336
Company number	10654855
Independent examiner	Cara Turtington FCA DChA Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Santander UK plc Bridle Road Bootle Merseyside L30 4GB
Investment managers	S&T Wealth Management 5 St James's Place London SW1A 1NP

Fairy Water Trust

Trustees' report Year ended 31 March 2023

The trustees (known as directors under company law) present their annual report and financial statements for the charity for the year ended 31 March 2023.

Legal status and constitution

Fairy Water Trust is a company limited by guarantee. It was incorporated on 6 March 2017 and is governed by its Memorandum and Articles of Association, dated 6 March 2017 and subsequently amended on 26 March 2021.

Structure, governance and management

The trustees that served during the year are shown on page 1.

Trustees are recruited and appointed in accordance with the charity's governing document and with relevant legislation.

Objectives and activities

The charity's objects are:

1. For the public benefit to advance such other exclusively charitable objects and purposes as the Directors may in their discretion think fit.

In planning the activities of the charity the trustees have given due regard to the Charity Commission's guidance on public benefit.

Achievements and performance

Following agreement at the Trustee meeting on 12 October 2022, the Handelsbanken loan was reduced by £550,000. This had the effect of reducing the interest payments and releasing the security deposit.

Regular grant making recommenced during the year, with a total of £51,250 being given throughout the year.

Financial review

The statement of financial activities on page 6 sets out the results of the charity for the year.

The charity received total income and endowments of £269,469 (2022: £83,403) during the year. Total expenditure was £138,562 (2022: £199,023), including £46,250 on grants to institutions (2022: £10,000).

At the year end the charity had total funds of £2,546,043 (2022: £2,451,801), including unrestricted funds of £129,211 (2022: £2,943), restricted funds of £72,632 (2022: £62,223) and expendable endowment of £2,344,200 (2022: £2,386,635).

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

Reserves policy

Fairy Water Trust

Trustees' report (continued)

Year ended 31 March 2023

At 31 March 2023, the reserves of the charity comprised the unrestricted fund, a restricted fund and the expendable endowment fund. The expendable endowment fund was established with a significant donation from the Founder in April 2018.

At the year end the charity had free reserves of £127,033 (2022: £nil). The trustees are satisfied with the level of free reserves held.

At present the trustees do not consider it necessary to maintain substantial reserves in the unrestricted fund.

Investment policy

S&T continue to manage the share portfolio and provide regular updates to the Trustees.

A balanced approach between income and capital growth has been adopted. The Charity wishes to attempt to maintain the capital value of the Investment Funds at least in line with current inflation rates. The Trustees have been closely monitoring investments throughout the year.

Risk management

The trustees have examined the major strategic, business, and operational risks which the charity faces and confirm that systems have been, or will be, established to enable the necessary steps to be taken to lessen these risks.

The Trustees continued to take advice on major strategic, business, and operational risks to lessen these risks.

Due to the continued uncertainty in the investment and financial markets, investment activity was minimal.

The Trustees continue to monitor this with the objective of increasing the grant making programme.

Related parties

The charity has a 100% owned subsidiary, Fairy Water Trading Limited, which was incorporated on 21 November 2017. Since incorporation the subsidiary has been dormant.

On 20 November 2020, a 100% owned subsidiary, Living Uplands Limited, was incorporated and is currently dormant.

Trustees' report (continued)

Year ended 31 March 2023

Future plans

The Trustees have agreed that over the next three years, they will provide substantial ongoing support to several charities to make a real difference. These charities will include Seaview Sailing Trust and Ronald McDonald House.

Statement of trustees' responsibilities

The trustees (who are also directors of Fairy Water 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).

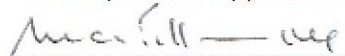
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ observe the methods and principles in the Charities SORP (FRS 102);
- ☐ 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; and
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board of trustees on 18th December 2023 and signed on its behalf by:



Mark Tellwright

Trustee

Independent examiner's report to the trustees of Fairy Water Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Respective responsibilities of trustees and examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies. 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. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



.....
Cara Turtington FCA DChA

Saffery LLP, Chartered Accountants

71 Queen Victoria Street, London, EC4V 4BE

Date: 20 December 2023

Fairy Water Trust

Statement of financial activities (incorporating the income and expenditure account) Year ended 31 March 2023

		Unrestricted funds £	Restricted funds £	Expendable endowment funds £	Total funds 2023 £	Total 2022 £
	Note					
Income and endowments from						
Donation income	2	-	49,905	-	49,905	15,600
Investment income		14,564	-	-	14,564	7,580
Rental income		205,000	-	-	205,000	60,223
Total income and endowments		219,564	49,905	-	269,469	83,403
Expenditure:						
Raising funds		34,653	-	5,770	40,423	120,203
Expenditure on charitable activities		58,643	39,496	-	98,139	78,820
Total expenditure	3	93,296	39,496	5,770	138,562	199,023
Gain/(loss) on investments		-	-	(36,665)	(36,665)	(14,128)
Net (expenditure)/ income		126,268	10,409	(42,435)	94,242	(129,748)
Transfer between funds		-	-	-	-	-
Net movement on funds		126,268	10,409	(42,435)	94,242	(129,748)
Total funds brought forward		2,943	62,223	2,386,635	2,451,801	2,581,549
Total funds carried forward		129,211	72,632	2,344,200	2,546,043	2,451,801

The notes on pages 8 to 17 form part of these financial statements.

The statement of financial activities contains all recognised gains and losses for the financial period.

The results for the period all relate to continuing activities.

Fairy Water Trust

Balance sheet

As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	2,175	2,943
Investments	5	456,929	486,425
Investment property	6	2,265,849	2,265,849
		<u>2,724,953</u>	<u>2,755,217</u>
Current assets			
Debtors	7	-	61,500
Cash at bank		242,277	619,445
		<u>242,277</u>	<u>680,945</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(74,521)	(114,361)
Net current assets		<u>167,756</u>	<u>566,584</u>
Creditors: due in more than one year	9	(346,666)	(870,000)
Net assets		<u>2,546,043</u>	<u>2,451,801</u>
Charity funds			
Expendable endowment fund		2,344,200	2,386,635
Restricted fund		72,632	62,223
Unrestricted funds		129,211	2,943
Total funds	10	<u>2,546,043</u>	<u>2,451,801</u>

For the year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- ☐ The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476,
- ☐ The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements were approved by the trustees on **18th December** 2023 and signed on their behalf by:



Mark Tellwright

Trustee

Company registration number 10654855

The notes on pages 8 to 17 form part of these financial statements.

1. Accounting policies

1.1 Accounting convention

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 Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined under FRS 102.

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

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

1.2 Members

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is £1 per member of the charity. At 31 March 2023, the total of such guarantees was £5 (2022: £5).

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donation income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

1.4 Expenditure

Expenditure is recognised once 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 costs can be directly attributed to an expense category.

1.5 Taxation

Fairy Water Trust is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

Notes to the financial statements (continued)
Year ended 31 March 2023

1.6 Intangible assets

Expenditure on intangible assets are capitalised at cost. Amortisation is provided to write off the cost less the residual value over the expected useful life as follows:

Website	Over 5 years on a straight-line basis
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1.7 Investments

Investments in subsidiaries are shown at cost on the charity balance sheet.

Other financial investments are stated at fair value (mid market value) at the balance sheet date. Realised and unrealised gains and losses on investments are included in the statement of financial activities.

1.8 Investment properties

Investment properties are initially recognised at cost. Subsequently they are recognised at fair value.

1.9 Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity without specified purpose.

Restricted funds are amounts which are specified by the donor to be used solely for particular projects undertaken by the charity.

The expendable endowment represents donations from the Founder. The trustees have the power to convert endowment funds in to income and it is therefore classified as an expendable endowment.

1.10 Financial instruments

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The charity does not currently have any bank loans.

1.11 Judgements and estimates

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

Fairy Water Trust

Notes to the financial statements (continued) Year ended 31 March 2023

2. Donation income

Current year	Unrestricted funds	Restricted funds	Expendable endowment funds	Total	Total and restricted funds
	2023	2023	2023	2023	2022
	£	£	£	£	£
Donations	-	41,155	-	41,155	15,600
Gift aid income	-	8,750	-	8,750	-
	-	-	-	49,905	15,600

Comparative year	Unrestricted funds	Restricted funds	Expendable endowment funds	Total funds
	2022	2022	2022	2022
	£	£	£	£
Donations	-	15,600	-	15,600
Gift aid income	-	-	-	-
Gift in kind	-	-	-	-
	-	15,600	-	15,600

Notes to the financial statements (continued)
Year ended 31 March 2023

3. Expenditure

	2023	2022
	£	£
Expenditure on raising funds		
Investment management fees	5,770	3,977
Property Costs	5,092	51,713
Loan Interest	29,561	12,859
Legal and professional fees	-	51,654
	<u>40,423</u>	<u>120,203</u>
Expenditure on charitable activities		
<i>Grants</i>		
Marine, wildlife and sailing	10,000	-
Children's Charities	15,000	7,500
Refugee Charities	5,000	2,500
Sports Charities	2,500	-
Medical & Research Charities	8,750	-
Other Charities	5,000	-
<i>Direct costs</i>		
Project costs	39,496	40,797
<i>Support costs</i>		
Bank charges	3,191	7,319
Accountancy and taxation services	8,182	6,326
Legal and professional fees	252	13,611
Amortisation	767	767
	<u>12,392</u>	<u>28,023</u>
Total expenditure	<u>138,562</u>	<u>199,023</u>

The charity had no direct employees in the year (2022: none).

No trustee received any remuneration during the period, nor were any trustee expenses reimbursed. The trustees are considered to be the key management personnel of the charity.

Office space is provided by one of the trustees. The value of this gift in kind is considered to be de minimis and therefore is not brought into these accounts.

Accountancy and taxation services includes an independent examiner's fees (not including VAT) of:

- For the independent examination and accounts preparation services £6,460 (2022: £5,300)
- For other services £953 (2022: £1,026)

Fairy Water Trust

Notes to the financial statements (continued)

Year ended 31 March 2023

All grants made during the year were paid to institutions. The most significant grant in the year was to the Seaview Sailing Trust £10,000.

4. Intangible assets

	Website
Cost	£
Brought forward	3,837
Additions at cost	
Carried forward	<u>3,837</u>
Amortisation	
Brought forward	895
Charge for the year	767
Carried forward	<u>1,662</u>
Net book value brought forward	<u>2,942</u>
Net book value carried forward	<u>2,175</u>

5. Investments

	Investments in subsidiaries	Other investments	Total
Valuation	£	£	£
Brought forward	3	486,422	486,425
Additions at cost	-	13,710	13,710
Disposals at proceeds	-	(46,130)	(46,130)
Gain/(loss) on investments	-	(36,665)	(36,665)
Increase in cash held by investment manager	-	39,589	39,589
	<u>3</u>	<u>456,926</u>	<u>456,929</u>

Investments in subsidiaries

The charity owns 100% of the share capital in Fairy Water Trading Ltd (company registration number 11074077), a private company limited by shares and registered in England and Wales. The subsidiary has not traded to date and is a dormant company. The registered office of Fairy Water Trading Ltd is 71 Queen Victoria Street, London, EC4V 4BE.

The charity owns 100% of the share capital of Living Uplands Limited (company registration number 13035014), a private company limited by shares and registered in England and Wales. The

Notes to the financial statements (continued)

Year ended 31 March 2023

subsidiary has not traded to date and is a dormant company. The registered office of Living Uplands Limited is 68 Grafton Way, London, W1T 5DS.

Other investments

Breakdown of other investments at market value:

	2023	2022
	£	£
Listed investments	413,522	482,607
Cash	43,404	3,815
	<u>456,926</u>	<u>486,422</u>
Historic cost of investments	<u>461,052</u>	<u>464,849</u>

6. Investment properties

	Investment property
	£
Brought forward	2,265,849
Additions at cost	-
Carried forward	<u>2,265,849</u>

The investment property purchase was completed in June 2021. The property is in the UK.

The directors do not consider there to be any change in the fair value at 31 March 2023.

As a result of the bank loan (see note 8 and note 9), there is a fixed charge over the property by Handelsbanken Plc.

7. Debtors

	2023	2022
	£	£
Trade Debtors	-	61,500
	<u>-</u>	<u>61,500</u>

Notes to the financial statements (continued)
Year ended 31 March 2023

8. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	4,700	4,700
Deferred Income	51,250	51,250
Bank loan	-	53,333
Other creditors	3	3
VAT creditor	18,568	5,075
	<u>74,521</u>	<u>114,361</u>

9. Creditors: amounts due in more than one year

	2023	2022
	£	£
Bank loan	346,666	870,000
	<u>346,666</u>	<u>870,000</u>
The bank loan is due for repayment:		
In under one year (see note 8)	-	53,333
In 1-2 years	-	53,333
In 2-5 years	346,666	816,667
In over 5 years	-	-
	<u>346,666</u>	<u>923,333</u>

As a result of the loan, Handelsbanken Plc have a fixed charge over the investment property. Interest rate on the loan is 2.5% over base rate. Interest payments are being made on a quarterly basis. The balance is due for repayment in May 2025.

Notes to the financial statements (continued)

Year ended 31 March 2023

10. Movement on funds

Current year	At 31 March 2022	Income	Expenditure	Gain on investments	Transfer	At 31 March 2023
Expendable endowment fund	2,386,635	-	(5,770)	(36,665)	-	2,344,200
Restricted fund:						
Living Uplands	62,223	49,905	(39,496)	-	-	72,632
Unrestricted funds	2,943	219,564	(93,296)	-	-	129,211
	<u>2,451,801</u>	<u>269,469</u>	<u>(138,562)</u>	<u>(36,665)</u>	<u>-</u>	<u>2,546,043</u>
Comparative year	At 31 March 2021	Income	Expenditure	Gain on investments	Transfer	At 31 March 2022
Expendable endowment fund	2,492,895	-	(3,977)	(14,128)	(88,155)	2,386,635
Restricted fund:						
Living Uplands	87,420	15,600	(40,797)	-	-	62,223
Unrestricted funds	1,234	67,803	(154,249)	-	88,155	2,943
	<u>2,581,549</u>	<u>83,403</u>	<u>(199,023)</u>	<u>(14,128)</u>	<u>-</u>	<u>2,451,801</u>

Restricted funds

Living Uplands – the charity works in partnership with other organisations to support a conservation and wildlife project, Living Uplands. This fund represents amounts received from third party donors specifically towards this project.

Notes to the financial statements (continued)

Year ended 31 March 2023

11. Analysis of net assets by fund

Current year	Unrestricted funds	Restricted funds	Expendable endowment	Total 2023
	£	£	£	£
Intangible assets	2,175	-	-	2,175
Investments	3	-	2,722,775	2,722,778
Net current assets	127,033	72,632	(31,909)	167,756
Creditors over one year	-	-	(346,666)	(346,666)
Net assets	129,211	72,632	2,344,200	2,546,043

Comparative year	Unrestricted funds	Restricted funds	Expendable endowment	Total 2022
	£	£	£	£
Intangible assets	2,943	-	-	2,943
Investments	3	-	2,752,271	2,752,274
Net current assets	(3)	62,223	504,364	566,584
Creditors over one year	(3)	-	(870,000)	(870,000)
Net assets	2,943	62,223	2,386,635	2,451,801

12. Related party transactions

There were no related party transactions during the year.

Notes to the financial statements (continued)

Year ended 31 March 2023

13. Comparative statement of financial activities

	Unrestricted funds £	Restricted funds £	Expendable endowment funds £	Total 2022 £
Income and endowments from				
Donation income	-	15,600	-	15,600
Investment income	7,580	-	-	7,580
Rental income	60,223	-	-	60,223
Total income and endowments	67,803	15,600	-	83,403
Expenditure:				
Raising funds	116,226	-	3,977	120,203
Expenditure on charitable	38,023	40,797	-	78,820
Total expenditure	154,249	40,797	3,977	199,023
Gain/(loss) on investments	-	-	(14,128)	(14,128)
Net (expenditure)/ income	(86,446)	(25,197)	(18,105)	(129,748)
Transfer between funds	88,155	-	(88,155)	-
Net movement on funds	1,709	(25,197)	(106,260)	(129,748)
Total funds brought forward	1,234	87,420	2,492,895	2,581,549
Total funds carried forward	2,943	62,223	2,386,635	2,451,801