

GRANTA TRUST

England & Wales · Charity number 1184638

Details

Status Registered

Legal form Charitable company

Company number [11592194](#)

Registered 2019-07-29

Register [View on the Charity Commission register](#)

Contact

Address 12 Addison Avenue
London
W11 4QR

Phone 020 7605 1360

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT:(A) THE ADVANCEMENT OF THE LITERARY ARTS IN PARTICULAR BY THE PROMOTION OF NEW AND EMERGING WRITING; (B) THE ADVANCEMENT OF EDUCATION THROUGH THE PROMOTION OF LITERARY AND LITERACY CULTURES IN THE UNITED KINGDOM AND AROUND THE WORLD; AND(C) SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION DETERMINE'CHARITABLE PURPOSES' MEANS PURPOSES THAT ARE EXCLUSIVELY CHARITABLE UNDER THE LAWS OF ENGLAND AND WALES AND 'CHARITABLE' SHALL BE CONSTRUED ACCORDINGLY;

Activities: The charity is formed for the purpose of (a) the advancement of the literary arts in particular by the promotion of new and emerging writing; (b) the advancement of education through the promotion of literary and literacy cultures in the United Kingdom and around the world; and(c) such other charitable purposes as the Trustees may in their absolute discretion determine

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,380,416	£1,814,421	£9,335,431	9
2023-12-31	£1,174,338	£1,690,393	£9,520,354	9
2022-12-31	£11,023,789	£1,067,161	£9,224,629	8
2021-12-31	£1,220,497	£1,377,299	£1,628	8
2020-09-30	£369,415	£209,355	-	-

Trustees

Name	Role	Appointed
Elizabeth Wedmore		2025-07-04
SIGRID MARIA ELISABET RAUSING		2018-09-27
Tony Curzon Price		2026-05-01
VICTORIA GRAY		2026-01-01

GRANTA TRUST

England & Wales - Charity number 1184638

Accounts

Charity registration number 1184638 (England and Wales)

Company registration number 11592194

GRANTA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

GRANTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sigrid Rausing Rana Dasgupta George Prochnik
Charity number	1184638
Company number	11592194
Registered office	12 Addison Avenue London UK W11 4QR
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

GRANTA TRUST

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GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objects are; the advancement of the literary arts, in particular the promotion of new and emerging writing and the advancement of education through the promotion of literary and literacy cultures.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

Financial review

Donations received in the prior periods provide the Trust with an expendable endowment which will generate investment income to support the charitable activities. It is the trustees' intention that the capital should be preserved to maintain the level of investment income, but the capital is expendable in case of urgent and unforeseen need, and will allow the Trust's current activities to be sustained while consideration is given to ways in which additional funds may be raised. Trustees therefore consider that reserves should be limited to an amount appropriate to the Trust's working capital needs and have maintained this level of reserves throughout the year.

Investment Policy

Trustees reviewed the options available for investment of the expendable endowment and selected the CCLA's Ethical Fund. Trustees receive regular reports from the CCLA and meet annually with its representative. Cash balances not immediately needed are placed on short term deposit when these are available at more than a notional rate of interest.

Risk management

The trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Reserves policy

The Trustees have established the level of reserves that the charity ought to have. The funds are needed to:

- cover support and management costs;
- provide funds which can be designated to specific projects to enable them to be undertaken at short notice;
- achieve a liquid reserve to provide cover for further charitable expenditure.

The Trustees continue to monitor and review periodically the level of reserves in conjunction with the setting of annual budgets and the development of the long-term strategy to meet the targets of the charity. The charity's policy is to maintain adequate funds for its commitments for charitable projects in the publishing sector.

Plans for future periods

Trustees' main focus continues to be on oversight of the operating business, to satisfy themselves that it is operating effectively and in a way that fulfils the Trust charitable purposes. They will continue to look for new activities, such as the writing academy, which advance the Charity's objectives and provide a valuable income stream. Trustees will also continue to raise funds from third party donors with an interest in the literary field.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

Granta Trust is a company limited by guarantee. It is governed by its Memorandum and Articles of Association.

Related Parties and Conflicts of Interest

None of the trustees received remuneration or other benefits for their work for the charity other than those disclosed in note 8 to the accounts. Any transactions between the Trust and the trustees or senior management or related parties must be disclosed to the Board.

Details of related party transactions are disclosed in note 22 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's Conflict of Interest Policy to withdraw from decisions where a conflict of interest arises.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sigrid Rausing
Rana Dasgupta
George Prochnik

Details of method of recruitment and appointment of trustees

Trustees are appointed to the board on the basis of their skills and experience in either the literary or charitable field. Trustee appointments are for an initial period of three years.

Supplier Payment Policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the period end were equivalent to 31 days' purchases, based on the daily amount invoiced by suppliers during the period.

Details of organisational structure

Granta Trust employs nine staff to edit and sell the magazine, and to edit the poetry list. Other functions, including contract administration, production, marketing and publicity, finance and IT are outsourced to Granta Publications, which charges for time spent on the Trust's operations. The day to day management of the operations of the Trust is overseen by the Executive Management Board, which reports regularly to trustees.

The Trustees consider that the Board of Trustees, the Editor and Deputy Editor comprise the key management personnel of the charity in charge of directing and controlling the charity and its day to day operation.

Statement of trustees' responsibilities

The trustees, who are also the directors of Granta Trust for the purpose 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).

Auditor

In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the company will be put at a General Meeting.

Principal Office

The address of the principal office of the charity is 12 Addison Avenue, London, W11 4QR.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2024***

The trustees' report was approved by the Board of Trustees.

Sigrid Rausing
Trustee

30 June 2025

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GRANTA TRUST

Opinion

We have audited the financial statements of Granta Trust (the 'Trust') for the year ended 31 December 2024 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows 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 Financial Reporting Standard 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 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRANTA TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Trust for the purpose 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 Trust'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which our procedures are capable of detecting irregularities, including fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRANTA TRUST

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

William Meakin (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

1 July 2025

Bright Grahame Murray is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GRANTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations, endowments and legacies	2	145,445	-	145,445	131,760	-	131,760
Charitable activities	3	971,662	-	971,662	776,390	-	776,390
Investments	4	263,309	-	263,309	264,771	-	264,771
Total income		1,380,416	-	1,380,416	1,172,921	-	1,172,921
Expenditure on:							
Charitable activities	5	1,813,614	-	1,813,614	1,690,393	-	1,690,393
Net gains/(losses) on investments	11	-	249,082	249,082	-	811,780	811,780
Gross transfers between funds		-	-	-	957,346	(957,346)	-
Net (outgoing)/incoming resources		(433,198)	249,082	(184,116)	439,874	(145,566)	294,308
Other recognised gains and losses							
Other gains or losses	13	(807)	-	(807)	1,417	-	1,417
Net movement in funds		(434,005)	249,082	(184,923)	441,291	(145,566)	295,725
Fund balances at 1 January 2024		443,627	9,076,727	9,520,354	2,336	9,222,293	9,224,629
Fund balances at 31 December 2024		9,622	9,325,809	9,335,431	443,627	9,076,727	9,520,354

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

GRANTA TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	All income funds 2024 £	2023 £
Gross income	1,380,416	1,172,921
Transfer (to)/from endowment funds	-	957,346
Total income in the reporting period	1,380,416	2,130,267
Total expenditure from income funds	1,813,614	1,690,393
Net (expenditure)/income for the year	(433,198)	439,874

GRANTA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		19,856		14,675
Investments	15		9,325,809		9,076,727
			<u>9,345,665</u>		<u>9,091,402</u>
Current assets					
Stocks	16	58,694		57,262	
Debtors	17	207,557		264,524	
Cash at bank and in hand		180,109		581,969	
		<u>446,360</u>		<u>903,755</u>	
Creditors: amounts falling due within one year	18	(456,594)		(474,803)	
Net current (liabilities)/assets			<u>(10,234)</u>		<u>428,952</u>
Total assets less current liabilities			<u>9,335,431</u>		<u>9,520,354</u>
The funds of the Trust					
Endowment funds	20		9,325,809		9,076,727
Unrestricted funds	21		9,622		443,627
			<u>9,335,431</u>		<u>9,520,354</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the trustees on 12 June 2025

Sigrid Rausing
Trustee

Company registration number 11592194 (England and Wales)

GRANTA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(650,316)		(593,944)
Investing activities					
Purchase of tangible fixed assets		(14,853)		(7,515)	
Investment income received		263,309		264,771	
Net cash generated from investing activities					
			248,456		257,256
Net cash used in financing activities					
			-		-
Net decrease in cash and cash equivalents					
			(401,860)		(336,688)
Cash and cash equivalents at beginning of year			581,969		918,657
Cash and cash equivalents at end of year					
			180,109		581,969

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Granta Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Addison Avenue, London, W11 4QR, UK.

1.1 Accounting convention

The financial statements have been prepared in accordance with the special provisions of the small companies regime, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised as income when pre-agreed criteria, such as associated expenditure, has been met. Grant monies received where criteria has not yet been achieved is recognised as deferred income.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Recognition of 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. Expenditure is classified under the following activity headings:

Governance Costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of audit and professional fees. Salary costs, where appropriate, are charged in accordance with time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and Website costs	25-33% per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.11 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Donations and gifts	123,465	103,740
British Council Grant	21,980	28,020
	<u>145,445</u>	<u>131,760</u>
Donations and gifts		
Other donations	3,168	103,740
C.H.A.T	10,000	-
Jerwood Foundation	15,820	-
Amazon Literary Grant	6,000	-
Ford Foundation	78,477	-
Bloomsbury Publishing	10,000	-
	<u>123,465</u>	<u>103,740</u>

Included in other donations are amounts gifted from individual readers; the prior year relates to an organisation connected to a trustee.

3 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Sales within charitable activities	614,351	654,264
Writing courses provided	357,311	122,126
	<u>971,662</u>	<u>776,390</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	262,751	260,407
Interest receivable	558	4,364
	<u>263,309</u>	<u>264,771</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Charitable activities

	Magazine publication 2024 £	Charitable e xpenditure 2024 £	Total Magazine 2024 publication £	Magazine 2023 £	Grant Making 2023 £	Charitable e xpenditure 2023 £	Total 2023 £
Staff Costs	661,319	-	661,319	582,285	-	-	582,285
Depreciation	9,672	-	9,672	10,506	-	-	10,506
Production							
Costs	181,906	-	181,906	217,880	-	-	217,880
Contributor							
Fees	178,585	-	178,585	116,730	-	-	116,730
Distribution							
Costs	327,930	-	327,930	282,624	-	-	282,624
Poetry Costs	4,131	-	4,131	7,288	-	-	7,288
Marketing							
Costs	54,133	-	54,133	94,563	-	-	94,563
Website Cost	52,035	-	52,035	40,192	-	-	40,192
Office Supplies							
Costs	51,620	-	51,620	58,610	-	-	58,610
Professional							
Fees	10,735	-	10,735	8,949	-	-	8,949
Computer							
Running Costs	15,798	-	15,798	7,044	-	-	7,044
Overhead							
Costs	47,398	-	47,398	44,006	-	-	44,006
Bad Debt							
expense	-	-	-	29,280	-	-	29,280
British Council							
Grant costs	21,980	-	21,980	28,020	-	-	28,020
Writing							
Academy							
Course costs	-	187,002	187,002	-	-	94,053	94,053
	1,617,242	187,002	1,804,244	1,527,977	-	94,053	1,622,030
Grant funding							
(note 6)	-	-	-	-	59,313	-	59,313
Governance							
costs (note 7)	9,370	-	9,370	9,050	-	-	9,050
	1,626,612	187,002	1,813,614	1,537,027	59,313	94,053	1,690,393

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Grants payable

	Cultural grants 2023 £
Grants to institutions:	
Granta Publications	49,313
The Charleston Trust	10,000
	<u>59,313</u>

Granta Trust has made a total of three grants during the year ended 31 December 2023, two being to Granta Publications. No grants were made in the current year.

7 Support costs allocated to activities

	2024 £	2023 £
	Basis of allocation	
Audit fees	Governance	
	9,370	9,050
	<u>9,370</u>	<u>9,050</u>
Analysed between:		
Charitable activities	9,370	9,050
	<u>9,370</u>	<u>9,050</u>

8 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,370	9,050
Depreciation of owned tangible fixed assets	9,672	10,506
	<u>19,042</u>	<u>19,556</u>

9 Trustees

During the year a trustee provided consultancy services to the Trust amounting to £nil (2023: £7,114).

During the year, no remuneration or benefits were received by trustees and key management personnel for their services to the charity.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Administrative	9	9
	<u>9</u>	<u>9</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	628,915	554,105
Other pension costs	32,404	28,180
	<u>661,319</u>	<u>582,285</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 to £70,000	-	1
£70,000 to £80,000	1	-
£90,000 to £100,000	-	1
£100,000 to £110,000	1	-
	<u>1</u>	<u>1</u>

11 Gains and losses on investments

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	249,082	811,780
	<u>249,082</u>	<u>811,780</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Other gains and losses

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) upon:		
Foreign exchange	807	(1,417)
	<u>807</u>	<u>(1,417)</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets

	Computers and Website costs
	£
Cost	
At 1 January 2024	242,465
Additions	14,853
At 31 December 2024	257,318
Depreciation and impairment	
At 1 January 2024	227,790
Depreciation charged in the year	9,672
At 31 December 2024	237,462
Carrying amount	
At 31 December 2024	19,856
At 31 December 2023	14,675

15 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2024	9,076,727
Valuation changes	249,082
At 31 December 2024	9,325,809
Carrying amount	
At 31 December 2024	9,325,809
At 31 December 2023	9,076,727

16 Stocks

	2024	2023
	£	£
Magazines	58,694	57,262

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	23,890	49,482
Other debtors	169,477	199,479
Prepayments and accrued income	14,190	15,563
	<u>207,557</u>	<u>264,524</u>

18 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	13,065	13,180
Trade creditors	120,226	128,400
Other creditors	285,208	299,374
Accruals and deferred income	38,095	33,849
	<u>456,594</u>	<u>474,803</u>

19 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,404	28,180
	<u>32,404</u>	<u>28,180</u>

The Trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

20 Endowment funds

Endowment funds represent donated income given to provide the Trust with an expendable endowment. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 January 2024	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£
Expendable endowments				
	<u>9,076,727</u>	<u>-</u>	<u>249,082</u>	<u>9,325,809</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Endowment funds (Continued)

Previous year:	At 1 January 2023	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£
Expendable endowments	9,222,293	(957,346)	811,780	9,076,727

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
General funds	443,627	1,380,416	(1,813,614)	-	(807)	9,622

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	2,336	1,172,921	(1,690,393)	957,346	1,417	443,627

22 Analysis of net assets between funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	19,856	-	19,856
Investments	-	9,325,809	9,325,809
Current assets/(liabilities)	(10,234)	-	(10,234)
	9,622	9,325,809	9,335,431

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	14,675	-	14,675
Investments	-	9,076,727	9,076,727
Current assets/(liabilities)	428,952	-	428,952
	<u>443,627</u>	<u>9,076,727</u>	<u>9,520,354</u>

23 Related party transactions

Grants of £nil (2023: £49,313) have been made to Granta Publications, a company under common control by virtue of the ultimate controlling party.

Donations received from related parties are disclosed in note 2.

The charity is controlled by a member of the board of trustees.

24 Cash generated from operations

	2024 £	2023 £
(Deficit)/surplus for the year	(184,116)	294,308
Adjustments for:		
Investment income recognised in statement of financial activities	(263,309)	(264,771)
Foreign exchange differences	(807)	1,417
Fair value (gains) and losses on investments	(249,082)	(811,780)
Depreciation and impairment of tangible fixed assets	9,672	10,506
Movements in working capital:		
(Increase) in stocks	(1,432)	(14,633)
Decrease in debtors	56,968	164,719
(Decrease)/increase in creditors	(18,209)	26,289
Cash absorbed by operations	<u>(650,315)</u>	<u>(593,945)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

GRANTA TRUST

England & Wales - Charity number 1184638

Accounts

Charity registration number 1184638

Company registration number 11592194 (England and Wales)

GRANTA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

GRANTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sigrid Rausing Rana Dasgupta George Prochnik
Charity number	1184638
Company number	11592194
Registered office	12 Addison Avenue London UK W11 4QR
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

GRANTA TRUST

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Statement of trustees' responsibilities	4
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Summary income and expenditure account	9
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GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objects are; the advancement of the literary arts, in particular the promotion of new and emerging writing and the advancement of education through the promotion of literary and literacy cultures.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

Financial review

Trustees have reviewed the reserves policy in the light of the substantial donations received by the Trust in this accounting period. These donations provide the Trust with an expendable endowment which will generate investment income to support the charitable activities. It is the trustees' intention that the capital should be preserved to maintain the level of investment income, but the capital is expendable in case of urgent and unforeseen need, and will allow the Trust's current activities to be sustained while consideration is given to ways in which additional funds may be raised. Trustees therefore consider that reserves should be limited to an amount appropriate to the Trust's working capital needs and have maintained this level of reserves throughout the year.

Investment Policy

Trustees reviewed the options available for investment of the expendable endowment and selected the CCLA's Ethical Fund. Trustees receive regular reports from the CCLA and meet annually with its representative. Cash balances not immediately needed are placed on short term deposit when these are available at more than a notional rate of interest.

Risk management

The trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Reserves policy

The Trustees have established the level of reserves that the charity ought to have. The funds are needed to:

- cover support and management costs;
- provide funds which can be designated to specific projects to enable them to be undertaken at short notice;
- achieve a liquid reserve to provide cover for further charitable expenditure.

The Trustees continue to monitor and review periodically the level of reserves in conjunction with the setting of annual budgets and the development of the long-term strategy to meet the targets of the charity. The charity's policy is to maintain adequate funds for its commitments for charitable projects in the publishing sector.

Plans for future periods

For the early years of the Trust's operations, trustees' focus will be on oversight of the operating business, to satisfy themselves that it is operating effectively and in a way that fulfils the Trust's charitable purposes.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

Granta Trust is a company limited by guarantee. It is governed by its Memorandum and Articles of Association.

Related Parties and Conflicts of Interest

None of the trustees received remuneration or other benefits for their work for the charity other than those disclosed in note 8 to the accounts. Any transactions between the Trust and the trustees or senior management or related parties must be disclosed to the Board.

Details of related party transactions are disclosed in note 22 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's Conflict of Interest Policy to withdraw from decisions where a conflict of interest arises.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sigrid Rausing
Rana Dasgupta
George Prochnik

Details of method of recruitment and appointment of trustees

Trustees are appointed to the board on the basis of their skills and experience in either the literary or charitable field. Trustee appointments are for an initial period of three years.

Supplier Payment Policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the period end were equivalent to 31 days' purchases, based on the daily amount invoiced by suppliers during the period.

Details of organisational structure

Granta Trust employs eight staff to edit and sell the magazine, and to edit the poetry list. Other functions, including contract administration, production, marketing and publicity, finance and IT are outsourced to Granta Publications, which charges for time spent on the Trust's operations. The day to day management of the operations of the Trust is overseen by the Executive Management Board, which reports regularly to trustees.

The Trustees consider that the Board of Trustees, the Editor and Deputy Editor comprise the key management personnel of the charity in charge of directing and controlling the charity and its day to day operation.

Auditor

In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the company will be put at a General Meeting.

Principal Office

The address of the principal office of the charity is 12 Addison Avenue, London, W11 4QR.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2023***

The trustees' report was approved by the Board of Trustees.

Sigrid Rausing
Trustee

16 September 2024

GRANTA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Granta Trust for the purpose 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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GRANTA TRUST

Opinion

We have audited the financial statements of Granta Trust (the 'Trust') for the year ended 31 December 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows 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 Financial Reporting Standard 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 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRANTA TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Trust for the purpose 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 Trust'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which our procedures are capable of detecting irregularities, including fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GRANTA TRUST

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clifford (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray

Chartered Accountants

Statutory Auditor

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

16 September 2024

Bright Grahame Murray is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GRANTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:							
Donations, endowments and legacies	2	131,760	-	131,760	500,000	9,850,973	10,350,973
Charitable activities	3	776,390	-	776,390	538,549	-	538,549
Investments	4	264,771	-	264,771	134,267	-	134,267
Total income and endowments		1,172,921	-	1,172,921	1,172,816	9,850,973	11,023,789
Expenditure on:							
Charitable activities	5	1,690,393	-	1,690,393	1,067,161	-	1,067,161
Net gains/(losses) on investments	11	-	811,780	811,780	-	(735,053)	(735,053)
Net (outgoing)/incoming resources before transfers		(517,472)	811,780	294,308	105,655	9,115,920	9,221,575
Gross transfers between funds		957,346	(957,346)	-	-	-	-
Net incoming/(outgoing) resources		439,874	(145,566)	294,308	105,655	9,115,920	9,221,575
Other recognised gains and losses							
Other gains or losses	13	1,417	-	1,417	1,426	-	1,426
Net movement in funds		441,291	(145,566)	295,725	107,081	9,115,920	9,223,001
Fund balances at 1 January 2023		108,709	9,115,920	9,224,629	1,628	-	1,628
Fund balances at 31 December 2023		550,000	8,970,354	9,520,354	108,709	9,115,920	9,224,629

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

GRANTA TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	All income funds 2023 £	2022 £
Gross income	1,172,921	1,172,816
Transfer from endowment funds	957,346	-
Total income in the reporting period	2,130,267	1,172,816
Total expenditure from income funds	1,690,393	1,067,161
Net income for the year	439,874	105,655

GRANTA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		14,675		17,666
Investments	15		9,076,727		8,264,947
			<u>9,091,402</u>		<u>8,282,613</u>
Current assets					
Stocks	16	57,262		42,629	
Debtors	17	264,524		429,244	
Cash at bank and in hand		581,969		918,657	
		<u>903,755</u>		<u>1,390,530</u>	
Creditors: amounts falling due within one year	18	(474,803)		(448,514)	
Net current assets			<u>428,952</u>		<u>942,016</u>
Total assets less current liabilities			<u>9,520,354</u>		<u>9,224,629</u>
Net assets excluding pension liability			<u>9,520,354</u>		<u>9,224,629</u>
			<u><u> </u></u>		<u><u> </u></u>
The funds of the Trust					
Endowment funds	20	8,970,354		9,115,920	
Unrestricted funds		550,000		108,709	
		<u>9,520,354</u>		<u>9,224,629</u>	
		<u><u> </u></u>		<u><u> </u></u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The financial statements were approved by the trustees on 16 September 2024

Sigrid Rausing
Trustee

Company registration number 11592194 (England and Wales)

GRANTA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(593,944)		9,672,712
Investing activities					
Purchase of tangible fixed assets		(7,515)		(7,090)	
Purchase of investments		-		(9,000,000)	
Investment income received		264,771		134,267	
Net cash generated from/(used in) investing activities			257,256		(8,872,823)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(336,688)		799,889
Cash and cash equivalents at beginning of year			918,657		118,768
Cash and cash equivalents at end of year			581,969		918,657

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Granta Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Addison Avenue, London, W11 4QR, UK.

1.1 Accounting convention

The financial statements have been prepared in accordance with the special provisions of the small companies regime, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised as income when pre-agreed criteria, such as associated expenditure, has been met. Grant monies received where criteria has not yet been achieved is recognised as deferred income.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Recognition of 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. Expenditure is classified under the following activity headings:

Governance Costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of audit and professional fees. Salary costs, where appropriate, are charged in accordance with time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and Website costs	25-33% per annum
-----------------------------	------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £	Endowment funds general 2022 £	Total 2022 £
Donations and gifts	103,740	500,000	9,850,973	10,350,973
British Council Grant	28,020	-	-	-
	<u>131,760</u>	<u>500,000</u>	<u>9,850,973</u>	<u>10,350,973</u>
Donations and gifts				
The Hans and Märit Rausing Charitable Trust	-	500,000	6,103,451	6,603,451
Other donations	103,740	-	3,747,522	3,747,522
	<u>103,740</u>	<u>500,000</u>	<u>9,850,973</u>	<u>10,350,973</u>

Endowments represent expendable endowments designated to the Trust by the trustees during the year, which are intended to provide a future income stream to underwrite the main magazine publishing activities of the charity.

Included in other donations are amounts gifted from an organisation connected to a trustee.

3 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Sales within charitable activities	654,264	538,549
Writing courses provided	122,126	-
	<u>776,390</u>	<u>538,549</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Dividends received	260,407	131,778
Interest receivable	4,364	2,489
	<u>264,771</u>	<u>134,267</u>

5 Charitable activities

	Magazine publication 2023 £	Grant Making 2023 £	Charitable expenditure 2023 £	Total Magazine 2023 publication £	Magazine publication 2022 £
Staff Costs	582,285	-	-	582,285	436,534
Depreciation	10,506	-	-	10,506	21,743
Production Costs	217,880	-	-	217,880	117,735
Contributor Fees	116,730	-	-	116,730	135,742
Distribution Costs	282,624	-	-	282,624	202,574
Poetry Costs	7,288	-	-	7,288	4,243
Marketing Costs	94,563	-	-	94,563	26,610
Website Cost	40,192	-	-	40,192	37,023
Office Supplies Costs	58,610	-	-	58,610	25,679
Professional Fees	8,949	-	-	8,949	19,900
Computer Running Costs	7,044	-	-	7,044	2,037
Overhead Costs	44,006	-	-	44,006	41,406
Bad Debt expense	29,280	-	-	29,280	(12,490)
British Council Grant costs	28,020	-	-	28,020	-
Writing Academy Course costs	-	-	94,053	94,053	-
	<u>1,527,977</u>	<u>-</u>	<u>94,053</u>	<u>1,622,030</u>	<u>1,058,736</u>
Grant funding (note 6)	-	59,313	-	59,313	-
Governance costs (note 7)	9,050	-	-	9,050	8,425
	<u>1,537,027</u>	<u>59,313</u>	<u>94,053</u>	<u>1,690,393</u>	<u>1,067,161</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Grants payable

	Cultural grants 2023 £
Grants to institutions:	
Granta Publications	49,313
The Charlestone Trust	10,000
	<u>59,313</u>

Granta Trust has made a total of three grants during the year ended 31 December 2023, two being to Granta Publications.

7 Support costs allocated to activities

	2023 £	2022 £
	Basis of allocation	
Audit fees	Governance	
	9,050	8,425
	<u>9,050</u>	<u>8,425</u>
Analysed between:		
Charitable activities	9,050	8,425
	<u>9,050</u>	<u>8,425</u>

8 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,050	8,425
Depreciation of owned tangible fixed assets	10,506	21,743
	<u>19,556</u>	<u>30,168</u>

9 Trustees

During the year a trustee provided consultancy services to the Trust amounting to £7,114 (2022: £6,061).

During the year, no remuneration or benefits were received by trustees and key management personnel for their services to the charity.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administrative	9	8
	<u>9</u>	<u>8</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	554,105	414,119
Other pension costs	28,180	22,415
	<u>582,285</u>	<u>436,534</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 to £70,000	1	1
£90,001 to £100,000	1	-
	<u>2</u>	<u>1</u>

11 Gains and losses on investments

	Endowment funds 2023 £	Endowment funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	811,780	(735,053)
	<u>811,780</u>	<u>(735,053)</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Other gains and losses

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) upon:		
Foreign exchange	(1,417)	(1,426)
	<u>(1,417)</u>	<u>(1,426)</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Tangible fixed assets

	Computers and Website costs £
Cost	
At 1 January 2023	234,950
Additions	7,515
At 31 December 2023	242,465
Depreciation and impairment	
At 1 January 2023	217,284
Depreciation charged in the year	10,506
At 31 December 2023	227,790
Carrying amount	
At 31 December 2023	14,675
At 31 December 2022	17,666

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023	8,264,947
Valuation changes	811,780
At 31 December 2023	9,076,727
Carrying amount	
At 31 December 2023	9,076,727
At 31 December 2022	8,264,947

16 Stocks

	2023 £	2022 £
Magazines	57,262	42,629

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	49,482	82,209
Other debtors	199,479	326,004
Prepayments and accrued income	15,563	21,031
	<u>264,524</u>	<u>429,244</u>

18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	13,180	14,292
Trade creditors	28,191	69,210
Other creditors	399,583	331,144
Accruals and deferred income	33,849	33,868
	<u>474,803</u>	<u>448,514</u>

Included in Trade creditors is £21,980 (2022: £nil) deferred income from the British Council Grant.

Included within Other Creditors is £253,745 (2022: £237,007) of deferred subscription income.

Accruals and deferred income includes £10,240 (2022: £nil) of deferred income for writing courses.

19 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	28,180	22,415

The Trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

20 Endowment funds

Endowment funds represent assets which must be held permanently by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 January 2023	Incoming resources	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£
Permanent endowments					
	9,115,920	-	(957,346)	811,780	8,970,354

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Endowment funds (Continued)

Previous year:	At 1 January 2022	Incoming resources	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£
Permanent endowments	-	9,850,973	-	(735,053)	9,115,920

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	108,709	1,172,921	(1,690,393)	957,346	1,417	550,000

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
General funds	1,628	1,172,816	(1,067,161)	-	1,426	108,709

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	14,675	-	14,675
Investments	-	9,076,727	9,076,727
Current assets/(liabilities)	(422,021)	850,973	428,952
	(407,346)	9,927,700	9,520,354
Per balance sheet	550,000	8,970,354	9,520,354
Balance to allocate	957,346	(957,346)	-

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	17,666	-	17,666
Investments	-	8,264,947	8,264,947
Current assets/(liabilities)	91,043	850,973	942,016
	<u>108,709</u>	<u>9,115,920</u>	<u>9,224,629</u>

23 Related party transactions

Grants of £49,313 have been made to Granta Publications, a company under common control by virtue of the ultimate controlling party.

Donations received from related parties are disclosed in note 2.

The ultimate controlling party is a member of the trustees of Granta Trust.

24 Cash generated from operations

	2023 £	2022 £
Surplus for the year	294,308	9,221,575
Adjustments for:		
Investment income recognised in statement of financial activities	(264,771)	(134,267)
Foreign exchange differences	1,417	1,426
Fair value (gains) and losses on investments	(811,780)	735,053
Depreciation and impairment of tangible fixed assets	10,506	21,743
Movements in working capital:		
(Increase) in stocks	(14,633)	(8,293)
Decrease/(Increase) in debtors	164,721	(170,371)
Increase in creditors	26,289	5,845
Cash (absorbed by)/generated from operations	<u>(593,943)</u>	<u>9,672,711</u>

GRANTA TRUST

England & Wales - Charity number 1184638

Accounts

Charity registration number 1184638

Company registration number 11592194 (England and Wales)

GRANTA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

GRANTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sigrid Rausing Rana Dasgupta George Prochnik	(Appointed 1 July 2022) (Appointed 1 December 2022)
Charity number	1184638	
Company number	11592194	
Registered office	12 Addison Avenue London UK W11 4QR	
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG	

GRANTA TRUST

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GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objects are; the advancement of the literary arts, in particular the promotion of new and emerging writing and the advancement of education through the promotion of literary and literacy cultures.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

Financial review

Trustees have reviewed the reserves policy in the light of the substantial donations received by the Trust in this accounting period. These donations provide the Trust with an expendable endowment which will generate investment income to support the charitable activities. It is the trustees' intention that the capital should be preserved to maintain the level of investment income, but the capital is expendable in case of urgent and unforeseen need, and will allow the Trust's current activities to be sustained while consideration is given to ways in which additional funds may be raised. Trustees therefore consider that reserves should be limited to an amount appropriate to the Trust's working capital needs and have maintained this level of reserves throughout the year.

Investment Policy

Trustees reviewed the options available for investment of the expendable endowment and selected the CCLA's Ethical Fund. Trustees receive regular reports from the CCLA and meet annually with its representative. Cash balances not immediately needed are placed on short term deposit when these are available at more than a notional rate of interest.

Risk management

The trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

For the early years of the Trust's operations, trustees' focus will be on oversight of the operating business, to satisfy themselves that it is operating effectively and in a way that fulfils the Trust's charitable purposes.

Structure, governance and management

Granta Trust is a company limited by guarantee. It is governed by its Memorandum and Articles of Association.

Related Parties and Conflicts of Interest

None of the trustees received remuneration or other benefits for their work for the charity other than those disclosed in note 8 to the accounts. Any transactions between the Trust and the trustees or senior management or related parties must be disclosed to the Board.

Details of related party transactions are disclosed in note 19 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's Conflict of Interest Policy to withdraw from decisions where a conflict of interest arises.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sigrid Rausing

Jeremy Hardie

(Resigned 30 September 2022)

Lisa Appignanesi

(Resigned 31 December 2022)

Rana Dasgupta

(Appointed 1 July 2022)

George Prochnik

(Appointed 1 December 2022)

Jeremy Hardie and Lisa Appignanesi both retired as trustees during the year. Trustees and staff alike owe them both a debt of gratitude for their wise and enthusiastic guidance since the Trust's inception, and thank them warmly for their committed service.

Details of method of recruitment and appointment of trustees

Trustees are appointed to the board on the basis of their skills and experience in either the literary or charitable field. Trustee appointments are for an initial period of three years.

Supplier Payment Policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the period end were equivalent to 31 days' purchases, based on the daily amount invoiced by suppliers during the period.

Details of organisational structure

Granta Trust employs eight staff to edit and sell the magazine, and to edit the poetry list. Other functions, including contract administration, production, marketing and publicity, finance and IT are outsourced to Granta Publications, which charges for time spent on the Trust's operations. The day to day management of the operations of the Trust is overseen by the Executive Management Board, which reports regularly to trustees.

The Trustees consider that the Board of Trustees, the Editor and Deputy Editor comprise the key management personnel of the charity in charge of directing and controlling the charity and its day to day operation.

Auditor

In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the company will be put at a General Meeting.

Principal Office

The address of the principal office of the charity is 12 Addison Avenue, London, W11 4QR.

The trustees' report was approved by the Board of Trustees.

Sigrid Rausing

Sigrid Rausing

Trustee

Date: 21 September 2023

GRANTA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Granta Trust for the purpose 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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GRANTA TRUST

Opinion

We have audited the financial statements of Granta Trust (the 'Trust') for the year ended 31 December 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows 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 Financial Reporting Standard 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 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRANTA TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Trust for the purpose 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 Trust'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which our procedures are capable of detecting irregularities, including fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF GRANTA TRUST

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clifford

Brian Clifford (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

25 September 2023

Bright Grahame Murray is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GRANTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total Unrestricted funds 2022 £	2021 £
Income from:					
Donations, endowments and legacies	2	500,000	9,850,973	10,350,973	466,850
Charitable activities	3	538,549	-	538,549	753,647
Investments	4	134,267	-	134,267	-
Total income and endowments		1,172,816	9,850,973	11,023,789	1,220,497
Expenditure on:					
Charitable activities	5	1,067,161	-	1,067,161	1,377,299
Net gains/(losses) on investments	10	-	(735,053)	(735,053)	-
Net incoming/(outgoing) resources		105,655	9,115,920	9,221,575	(156,802)
Other recognised gains and losses					
Other gains or losses	11	1,426	-	1,426	(1,630)
Net movement in funds		107,081	9,115,920	9,223,001	(158,432)
Fund balances at 1 January 2022		1,628	-	1,628	160,060
Fund balances at 31 December 2022		108,709	9,115,920	9,224,629	1,628

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

GRANTA TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	All income funds 2022 £	2021 £
Gross income	1,172,816	1,220,497
Total expenditure from income funds	1,067,161	1,377,299
Net income/(expenditure) for the year	<u>105,655</u>	<u>(156,802)</u>

GRANTA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	17,666		32,319	
Investments	14	8,264,947		-	
		<u>8,282,613</u>		<u>32,319</u>	
Current assets					
Stocks	15	42,629		34,336	
Debtors	16	429,244		258,874	
Cash at bank and in hand		918,657		118,768	
		<u>1,390,530</u>		<u>411,978</u>	
Creditors: amounts falling due within one year	17	(448,514)		(442,669)	
Net current assets/(liabilities)			942,016		(30,691)
Total assets less current liabilities			<u>9,224,629</u>		<u>1,628</u>
Capital funds					
Endowment funds - general		9,115,920		-	
Income funds					
Unrestricted funds		108,709		1,628	
		<u>9,224,629</u>		<u>1,628</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

The financial statements were approved by the Trustees on ...21 September 2023

Sigrid Rausing

Sigrid Rausing
Trustee

Company registration number 11592194

GRANTA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		9,672,712		(860,189)
Investing activities					
Purchase of tangible fixed assets		(7,090)		(19,734)	
Purchase of investments		(9,000,000)		-	
Investment income received		134,267		-	
Net cash used in investing activities			(8,872,823)		(19,734)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			799,889		(879,923)
Cash and cash equivalents at beginning of year			118,768		998,691
Cash and cash equivalents at end of year			918,657		118,768

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Granta Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Addison Avenue, London, W11 4QR, UK.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's articles, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Recognition of 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. Expenditure is classified under the following activity headings:

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Governance Costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of audit and professional fees. Salary costs, where appropriate, are charged in accordance with time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and Website costs	25-33% per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	500,000	9,850,973	10,350,973	466,850
Donations and gifts				
The Hans and Märit Rausing Charitable Trust	500,000	6,103,451	6,603,451	500,000
Other donations	-	3,747,522	3,747,522	-
Net liabilities taken on as part of Granta Magazine transfer (see below)	-	-	-	(33,150)
	500,000	9,850,973	10,350,973	466,850

As part of the transfer of the magazine trade from Granta Publications in 2020, The Hans and Märit Rausing Charitable Trust made a donation of £1,000,000 to Granta Trust.

At the point of transfer of the magazine from Granta Publications, the total value of the identifiable assets and liabilities of that trade was a net liability position of £130,585. Therefore, this £130,585 was set against the above mentioned £1,000,000 donation as, in substance, they formed part of the same accounting transaction. The judgements and estimates formed when valuing the assets and liabilities when that transfer took place were reviewed during the previous financial year and an adjustment of £33,150 was recognised in the previous year.

Sigrid Rausing has made a further commitment to secure an additional £2,000,000 in four annual instalments of £500,000. The substance of this commitment is to underwrite the costs associated with the magazine business, and as such the annual donations of £500,000 will be recognised in the Statement of Financial Activities in the year in which the funds are received, in order to match this commitment with the publications of the relevant magazines to which the commitment relates.

Endowments represent expendable endowments designated to the Trust by the trustees during the year, which are intended to provide a future income stream to underwrite the main magazine publishing activities of the charity.

Included in other donations are amounts gifted from an organisation connected to a trustee.

3 Charitable activities

	Magazine Trade 2022	Magazine Trade 2021
	£	£
Sales within charitable activities	538,549	753,647

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Investments

	Unrestricted funds	Total
	2022 £	2021 £
Dividends received	131,778	-
Interest receivable	2,489	-
	<u>134,267</u>	<u>-</u>

5 Charitable activities

	Magazine publication	Magazine publication	Grant Making	Total 2021
	2022 £	2021 £	2021 £	£
Staff Costs	436,534	527,414	-	527,414
Depreciation	21,742	30,266	-	30,266
Production Costs	117,736	148,583	-	148,583
Contributor Fees	135,742	162,155	-	162,155
Distribution Costs	202,574	298,233	-	298,233
Poetry Costs	4,243	3,446	-	3,446
Marketing Costs	26,610	62,287	-	62,287
Website Cost	37,023	45,208	-	45,208
Office Supplies Costs	25,679	13,011	-	13,011
Professional Fees	19,900	20,193	-	20,193
Computer Running Costs	2,037	4,652	-	4,652
Overhead Costs	41,406	45,739	-	45,739
Bad Debt expense	(12,490)	-	-	-
	<u>1,058,736</u>	<u>1,361,187</u>	<u>-</u>	<u>1,361,187</u>
Grant funding (note 6)	-	-	8,112	8,112
Governance costs (note 7)	8,425	8,000	-	8,000
	<u>1,067,161</u>	<u>1,369,187</u>	<u>8,112</u>	<u>1,377,299</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Grants payable

	Grant Making	Grant Making
	2022	2021
	£	£
Grants to institutions:		
Granta Publications	-	8,112

7 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Audit fees	-	8,425	8,425	8,000	Governance
	-	8,425	8,425	8,000	
Analysed between Charitable activities	-	8,425	8,425	8,000	

8 Trustees

During the year a trustee provided consultancy services to the Trust amounting to £6,061.

During the year, no remuneration or benefits were received by trustees and key management personnel for their services to the charity.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administrative	8	8
Employment costs	2022	2021
	£	£
Wages and salaries	414,119	503,197
Other pension costs	22,415	24,217
	436,534	527,414

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 to £70,000	1	-

10 Net gains/(losses) on investments

	Endowment funds general 2022 £	Total 2021 £
Revaluation of investments	(735,053)	-

11 Other gains or losses

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Foreign exchange gains	(1,426)	1,630

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

	Computers and Website costs £
Cost	
At 1 January 2022	227,860
Additions	7,090
At 31 December 2022	234,950
Depreciation and impairment	
At 1 January 2022	195,541
Depreciation charged in the year	21,743
At 31 December 2022	217,284
Carrying amount	
At 31 December 2022	17,666
At 31 December 2021	32,319

14 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	-
Additions	9,000,000
Valuation changes	(735,053)
At 31 December 2022	8,264,947
Carrying amount	
At 31 December 2022	8,264,947
At 31 December 2021	-

15 Stocks

	2022 £	2021 £
Magazines	42,629	34,336

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	82,209	52,427
Other debtors	326,004	203,552
Prepayments and accrued income	21,031	2,895
	<u>429,244</u>	<u>258,874</u>

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	14,292	7,180
Trade creditors	69,210	69,210
Subscriptions liabilities	331,144	348,085
Accruals and deferred income	33,868	18,194
	<u>448,514</u>	<u>442,669</u>

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total Unrestricted funds 2022 £	Total Unrestricted funds 2021 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	17,666	-	17,666	32,319
Investments	-	8,264,947	8,264,947	-
Current assets/(liabilities)	91,043	850,973	942,016	(30,691)
	<u>108,709</u>	<u>9,115,920</u>	<u>9,224,629</u>	<u>1,628</u>

19 Related party transactions

Included within Support Costs are staff and other overhead costs which are recharged from Granta Publications on an arm's length basis.

Included within Grants Payable is a grant made to Granta Publications made on an arm's length basis.

Donations received from related parties are disclosed in note 2.

Sigrid Rausing is the ultimate controlling party of Granta Publications.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20	Cash generated from operations	2022 £	2021 £
	Surplus/(deficit) for the year	9,221,575	(156,802)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(134,267)	-
	Foreign exchange differences	1,426	(1,630)
	Fair value (gains) and losses on investments	735,053	-
	Depreciation and impairment of tangible fixed assets	21,742	30,266
	Movements in working capital:		
	(Increase) in stocks	(8,293)	(34,336)
	(Increase) in debtors	(170,369)	(118,304)
	Increase/(decrease) in creditors	5,845	(79,383)
	(Decrease) in deferred income	-	(500,000)
	Cash generated from/(absorbed by) operations	<u>9,672,712</u>	<u>(860,189)</u>

GRANTA TRUST

England & Wales - Charity number 1184638

Accounts

Charity registration number 1184638

Company registration number 11592194 (England and Wales)

GRANTA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

GRANTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sigrid Rausing Jeremy Hardie Lisa Appignanesi
Charity number	1184638
Company number	11592194
Registered office	12 Addison Avenue London W11 4QR
Auditor	Mark Cole FCA Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the period ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objects are; the advancement of the literary arts, in particular the promotion of new and emerging writing and the advancement of education through the promotion of literary and literacy cultures.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

Immediately prior to the period, Granta Trust accepted the gift of that part of the operating business of Granta Publications which dealt with *Granta* magazine, the new poetry list, and the website. These activities were selected as enabling the charity to fulfil its charitable objectives. In 2020 trustees also made a small number of grants in the literary sphere. Trustees did not accept unsolicited applications but identified groups operating in the UK and working in innovative and effective ways to promote literacy and literary excellence across a wide geographic area. Trustees reviewed detailed applications and staff assessments. Trustees will receive reports on the funds awarded.

Financial review

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. This calculation takes into account the timing of future donations, specifically those which have been agreed in advance and are explained in note 2 to the accounts.

The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Investment Policy

Cash balances not immediately needed are placed on short term deposit, when these are available at a more than notional rate of interest.

Risk management

The trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

For the early years of the Trust's operations, trustees' focus will be on oversight of the operating business, to satisfy themselves that it is operating effectively and in a way that fulfils the Trust's charitable purposes.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Structure, governance and management

Granta Trust is a company limited by guarantee. It is governed by its Memorandum and Articles of Association.

Related Parties and Conflicts of Interest

None of the trustees received remuneration or other benefits for their work for the charity. Any transactions between the Trust and the trustees or senior management or related parties must be disclosed to the Board.

Details of related party transactions are disclosed in note 13 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's Conflict of Interest Policy to withdraw from decisions where a conflict of interest arises.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

Sigrid Rausing	
Max Porter	(Resigned 15 April 2021)
Jeremy Hardie	
Jonathan Cooper	(Resigned 20 September 2021)
Lisa Appignanesi	
Rana Dasgupta	(Appointed 1 July 2022)

Trustees were greatly saddened at the untimely death of Jonathan Cooper in September 2021. Jonathan brought his exceptional enthusiasm and creativity to the Trust, energizing proceedings and encouraging the board to greater things. His fellow board members are deeply indebted to him.

Details of method of recruitment and appointment of trustees

Trustees are appointed to the board on the basis of their skills and experience in either the literary or charitable field. Trustee appointments are for an initial period of three years.

Supplier Payment Policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the period end were equivalent to 31 days' purchases, based on the daily amount invoiced by suppliers during the period.

Details of organisational structure

Granta Trust employs eight staff to edit and sell the magazine, and to edit the poetry list. Other functions, including contract administration, production, marketing and publicity, finance and IT are outsourced to Granta Publications, which charges for time spent on the Trust's operations. The day to day management of the operations of the Trust is overseen by the Executive Management Board, which reports regularly to trustees.

The Trustees consider that the Board of Trustees, the Editor and Deputy Editor comprise the key management personnel of the charity in charge of directing and controlling the charity and its day to day operation.

Auditor

In accordance with the company's articles, a resolution proposing that Bright Grahame Murray be reappointed as auditor of the company will be put at a General Meeting.

Principal Office

The address of the principal office of the charity is 12 Addison Avenue, London, W11 4QR.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE PERIOD ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Sigrid Rausing
Trustee

22 September 2022

GRANTA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Granta Trust for the purpose 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 Trust 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANTA TRUST

Opinion

We have audited the financial statements of Granta Trust (the 'Trust') for the period ended 31 December 2021 which comprise the statement of financial activities, the balance sheet 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 Financial Reporting Standard 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 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual 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 our audit:

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

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRANTA TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust 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 in relation to which 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Trust for the purpose 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 Trust'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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GRANTA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRANTA TRUST

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Cole

Mark Cole (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

19 October 2022

Bright Grahame Murray is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

GRANTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Donations and legacies	2	466,850	369,415
Charitable activities	3	753,647	-
Total Income		<u>1,220,497</u>	<u>369,415</u>
Expenditure on:			
Charitable activities	4	<u>1,377,299</u>	<u>209,355</u>
Net (expenditure)/income for the period/ Net (outgoing)/incoming resources		(156,802)	160,060
Other recognised gains and losses			
Other gains or losses	9	(1,630)	-
Net movement in funds		(158,432)	160,060
Fund balances at 1 October 2020		160,060	-
Fund balances at 31 December 2021		<u>1,628</u>	<u>160,060</u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GRANTA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		32,319		42,850
Current assets					
Stocks	11	34,336		-	
Debtors	12	258,874		140,571	
Cash at bank and in hand		118,768		998,691	
		<u>411,978</u>		<u>1,139,262</u>	
Creditors: amounts falling due within one year	13	<u>(442,669)</u>		<u>(1,022,052)</u>	
Net current (liabilities)/assets			<u>(30,691)</u>		<u>117,210</u>
Total assets less current liabilities			<u>1,628</u>		<u>160,060</u>
Income funds					
Unrestricted funds			<u>1,628</u>		<u>160,060</u>
			<u>1,628</u>		<u>160,060</u>

The financial statements were approved by the Trustees on 22 September 2022

Sigrid Rausing
Trustee

Company registration number 11592194

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Granta Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Addison Avenue, London, W11 4QR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Recognition of 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. Expenditure is classified under the following activity headings:

Governance Costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of audit and professional fees. Salary costs, where appropriate, are charged in accordance with time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	25% per annum
---------------	---------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations and gifts	466,850	369,415
Donations and gifts		
The Hans and Märit Rausing Charitable Trust	500,000	500,000
Net liabilities taken on as part of Granta Magazine transfer (see below)	(33,150)	(130,585)
	466,850	369,415

As part of the transfer of the magazine trade from Granta Publications in 2020, The Hans and Märit Rausing Charitable Trust has made a donation of £1,000,000 to Granta Trust.

At the point of transfer of the magazine from Granta Publications, the total value of the identifiable assets and liabilities of that trade was a net liability position of £130,585. Therefore, this £130,585 was set against the above mentioned £1,000,000 donation above, as in substance they formed part of the same accounting transaction. The judgements and estimates formed when valuing the assets and liabilities when that transfer took place have been reviewed during this financial year and an adjustment of £33,150 has been recognised in the current financial year.

The £1,000,000 donation referred to above represents a funding commitment for two accounting periods from the point of the donation, and therefore this donation has been recognised equally across the 2020 and 2021 accounting periods.

Sigrid Rausing has made a further commitment to secure an additional £2,000,000 in four annual instalments of £500,000. The substance of this commitment is to underwrite the costs associated with the magazine business, and as such the annual donations of £500,000 will be recognised in the Statement of Financial Activities in the year in which the funds are received, in order to match this commitment with the publications of the relevant magazines to which the commitment relates.

3 Charitable activities

	Magazine Trade 2021 £	2020 £
Sales within charitable activities	753,647	-

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

4 Charitable activities

	Magazine publication	Grant Making	Total 2021	Magazine publication	Grant Making	Total 2020
	2021 £	2021 £	£	2020 £	2020 £	£
Staff Costs	527,414	-	527,414	-	-	-
Depreciation	30,266	-	30,266	-	-	-
Production Costs	148,583	-	148,583	-	-	-
Contributor Fees	162,155	-	162,155	-	-	-
Distribution Costs	298,233	-	298,233	-	-	-
Poetry Costs	3,446	-	3,446	-	-	-
Marketing Costs	62,287	-	62,287	-	-	-
Website Cost	45,208	-	45,208	-	-	-
Office Supplies Costs	13,011	-	13,011	-	-	-
Professional Fees	20,193	-	20,193	-	-	-
Computer Running Costs	4,652	-	4,652	-	-	-
Overhead Costs	45,739	-	45,739	-	-	-
	<u>1,361,187</u>	<u>-</u>	<u>1,361,187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grant funding (note 5)	-	8,112	8,112	-	122,500	122,500
Support costs (note 6)	-	-	-	17,796	-	17,796
Governance costs (note 6)	8,000	-	8,000	67,059	2,000	69,059
	<u>1,369,187</u>	<u>8,112</u>	<u>1,377,299</u>	<u>84,855</u>	<u>124,500</u>	<u>209,355</u>

5 Grants payable

	Grant Making 2021 £	Grant Making 2020 £
Grants to institutions:		
First Story	-	30,000
Medicine Unboxed	-	15,000
Royal Society of Literature	-	45,000
Republic of Consciousness	-	7,500
New Writing North	-	25,000
Granta Publications	8,112	-
	<u>8,112</u>	<u>122,500</u>

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

6	Support costs	Support Governance costs £	Support Governance costs £	2021 £	Support Governance costs £	Support Governance costs £	2020 £	Basis of allocation
	Staff costs	-	-	-	9,275	-	9,275	Based on staff contracts
	Recharge of support costs	-	-	-	8,332	-	8,332	Based on time spent by staff
	Bank charges	-	-	-	160	-	160	Support
	IT licences	-	-	-	29	-	29	Support
	Audit fees	-	8,000	8,000	-	4,000	4,000	Governance
	Legal and professional	-	-	-	-	65,059	65,059	Governance
			8,000	8,000	17,796	69,059	86,855	
	Analysed between							
	Charitable activities	-	8,000	8,000	17,796	69,059	86,855	

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the period.

8 Employees

The average monthly number of employees during the period was:

	2021 Number	2020 Number
Administrative	8	3
Employment costs	2021 £	2020 £
Wages and salaries	359,328	8,629
Other pension costs	24,217	646
	383,545	9,275

There were no employees whose annual remuneration was more than £60,000.

9 Other gains or losses

	Unrestricted funds	Total
	2021 £	2020 £
Foreign exchange gains	1,630	-

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Website costs £
Cost	
At 1 October 2020	208,126
Additions	19,734
At 31 December 2021	227,860
Depreciation and impairment	
At 1 October 2020	165,276
Depreciation charged in the period	30,265
At 31 December 2021	195,541
Carrying amount	
At 31 December 2021	32,319
At 30 September 2020	42,850

11 Stocks

	2021 £	2020 £
Magazines	34,336	-

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	52,427	26,537
Other debtors	203,552	114,034
Prepayments and accrued income	2,895	-
	258,874	140,571

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		7,180	3,308
Deferred income	14	-	500,000
Trade creditors		69,210	53,098
Subscriptions liabilities		348,085	257,248
Accruals and deferred income		18,194	208,398
		<u>442,669</u>	<u>1,022,052</u>

14 Deferred income

	2021 £	2020 £
Deferred donations	-	500,000

Deferred income is explained in further detail in note 3.

15 Related party transactions

Included within Support Costs are staff and other overhead costs which are recharged from Granta Publications on an arm's length basis.

Included within Grants Payable is a grant made to Granta Publications made on an arm's length basis.

Sigrid Rausing is the ultimate controlling party of Granta Publications.

GRANTA TRUST

England & Wales - Charity number 1184638

Accounts

Charity Registration No. 1184638

Company Registration No. 11592194 (England and Wales)

GRANTA TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

GRANTA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sigrid Rausing Jeremy Hardie Jonathan Cooper Lisa Appignanesi
Charity number	1184638
Company number	11592194
Registered office	12 Addison Avenue London W11 4QR
Independent examiner	Mark Cole FCA Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG

GRANTA TRUST

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GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Trust's objects are; the advancement of the literary arts in particular promotion of new emerging writing and the advancement of education through the promotion of literary and literacy cultures.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

During the period Granta Trust accepted the gift of that part of the operating business of Granta Publications which dealt with Granta magazine, the new poetry list, and the website. These activities were selected as enabling the charity to fulfil its charitable objectives. In 2020 trustees also made a small number of grants in the literary sphere. Trustees did not accept unsolicited applications but identified groups operating in the UK and working in innovative and effective ways to promote literacy and literary excellence across a wide geographic area. Trustees reviewed detailed applications and staff assessments. Trustees will receive reports on the funds awarded.

Financial review

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment Policy

Cash balances not immediately needed are placed on short term deposit, when these are available at a more than notional rate of interest.

Risk management

The trustees has assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

For the first full year of operations, trustees' focus will be on oversight of the operating business, to satisfy themselves that it is operating effectively and in a way that fulfils the Trust's charitable purposes.

Structure, governance and management

Granta Trust is a company limited by guarantee. It is governed by its Memorandum and Articles of Association.

Related Parties and Conflicts of Interest

None of the trustees received remuneration or other benefits for their work for the charity. Any transactions between the Trust and the trustees or senior management or related parties must be disclosed to the Board.

Details of related party transactions are disclosed in note 13 to the accounts. Trustees are required to disclose all relevant interests and register them annually with the Trust's administration, and in accordance with the Trust's conflict of Interest Policy to withdraw from decisions where a conflict of interest arises.

GRANTA TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Sigrid Rausing

Max Porter

(Resigned 15 April 2021)

Jeremy Hardie

Jonathan Cooper

Lisa Appignanesi

Details of method of recruitment and appointment of trustees

Trustees are appointed to the board on the basis of their skills and experience in either the literary or charitable field. Trustee appointments are for an initial period of three years.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Details of organisational structure

Granta Trust employs seven staff to edit and sell the magazine, and to edit the poetry list. Other functions, including contract administration, production, marketing and publicity, finance and IT are outsourced to Granta Publications, which charges for time spent on the Trust's operations. The day to day management of the operations of the Trust is overseen by the Executive Management Board, which reports regularly to trustees.

The Trustees consider that the Board of Trustees, the Editor and Deputy Editor comprise the key management personnel of the charity in charge of directing and controlling the charity and its day to day operation.

Principal Office

The address of the principal office of the charity is 12 Addison Avenue, London, W11 4QR.

The trustees' report was approved by the Board of Trustees.

Jeremy Hardie

Trustee

Dated: 20 July 2021

GRANTA TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF GRANTA TRUST

I report to the trustees on my examination of the financial statements of Granta Trust (the Trust) for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Trust 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 the Trust's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Trust'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 , 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 that in any material respect:

- 1 accounting records were not kept in respect of the Trust as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

Mark Cole FCA

Bright Grahame Murray
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

Dated: 28 July 2021

GRANTA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Unrestricted funds 2020 £	Total 2019 £
<u>Income from:</u>			
Donations and legacies	3	369,415	-
<u>Expenditure on:</u>			
Charitable activities	4	209,355	-
Net income for the year/ Net movement in funds		160,060	-
Fund balances at 1 October 2019		-	-
Fund balances at 30 September 2020		160,060	-

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

GRANTA TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		42,850		-
Current assets					
Debtors	10	140,571		-	
Cash at bank and in hand		998,691		-	
		<u>1,139,262</u>		<u>-</u>	
Creditors: amounts falling due within one year	11	<u>(1,022,052)</u>		<u>-</u>	
Net current assets			117,210		-
Total assets less current liabilities			<u>160,060</u>		<u>-</u>
Income funds					
Unrestricted funds			160,060		-
			<u>160,060</u>		<u>-</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 20 July 2021

Jeremy Hardie
Trustee

Company Registration No. 11592194

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Granta Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Addison Avenue, London, W11 4QR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Recognition of 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. Expenditure is classified under the following activity headings:

Governance Costs

Includes staff time and expenses for time spent in connection with trustees meetings, plus the cost of audit and professional fees. Salary costs, where appropriate, are charged in accordance with time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	25% per annum
---------------	---------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Trust's 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Donations and legacies

	Unrestricted funds	Total
	2020 £	2019 £
Donations and gifts	369,415	-
Donations and gifts		
The Hans and Märit Rausing Charitable Trust	500,000	-
Net liabilities taken on as part of Granta Magazine transfer (see below)	(130,585)	-
	369,415	-

As part of the transfer of the magazine trade from Granta Publications, The Hans and Märit Rausing Charitable Trust has made a donation of £1,000,000 to Granta Trust.

At the point of transfer of the magazine from Granta Publications, the total value of the identifiable assets and liabilities of that trade was a net liability position of £130,585. Therefore, this £130,585 has been set against the above mentioned £1,000,000 donation above, as in substance they formed part of the same accounting transaction.

The £1,000,000 donation represents a funding commitment for two accounting periods from the point of the donation, and therefore this donation is being recognised equally across the 2020 and 2021 accounting periods.

Sigrid Rausing has made a further commitment to secure an additional £2,000,000 in four annual instalments of £500,000. The substance of this commitment is to underwrite the costs associated with the magazine business, and as such the annual donations of £500,000 will be recognised in the Statement of Financial Activities in the year in which the funds are received, in order to match this commitment with the publications of the relevant magazines to which the commitment relates.

4 Charitable activities

	Magazine publication 2020 £	Grant Making 2020 £	Total 2020 £	Total 2019 £
Grant funding of activities (see note 5)	-	122,500	122,500	-
Share of support costs (see note 6)	17,796	-	17,796	-
Share of governance costs (see note 6)	67,059	2,000	69,059	-
	84,855	124,500	209,355	-

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

5 Grants payable

	Grant Making 2020 £	2019 £
Grants to institutions (5 grants):		
First Story	30,000	-
Medicine Unboxed	15,000	-
Royal Society of Literature	45,000	-
Republic of Consciousness	7,500	-
New Writing North	25,000	-
	122,500	-
-		

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019	Basis of allocation
	£	£	£	£	£	£	
Staff costs	9,275	-	9,275	-	-	-	Based on staff contracts
Recharge of support costs	8,332	-	8,332	-	-	-	Based on time spent by staff
Bank charges	160	-	160	-	-	-	Support
IT licences	29	-	29	-	-	-	Support
Audit fees	-	4,000	4,000	-	-	-	Governance
Legal and professional	-	65,059	65,059	-	-	-	Governance
	<u>17,796</u>	<u>69,059</u>	<u>86,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Analysed between							
Charitable activities	<u>17,796</u>	<u>69,059</u>	<u>86,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Governance costs includes a provision for the independent examination of these accounts for £4,000 (2019- £nil).

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year.

8 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administrative	3	-
Employment costs	2020 £	2019 £
Wages and salaries	8,629	-
Other pension costs	646	-
	9,275	-

There were no employees whose annual remuneration was £60,000 or more.

9 Tangible fixed assets

	Website costs £
Cost	
Additions via transfer of trade	42,850
At 30 September 2020	42,850
Carrying amount	
At 30 September 2020	42,850

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	26,537	-
Other debtors	114,034	-
	140,571	-

GRANTA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		3,308	-
Deferred income	12	500,000	-
Trade creditors		53,098	-
Subscriptions liabilities		257,248	-
Accruals and deferred income		208,398	-
		<u>1,022,052</u>	<u>-</u>

12 Deferred income

	2020 £	2019 £
Deferred donations	<u>500,000</u>	<u>-</u>

Deferred income is explained in further detail in note 3.

13 Related party transactions

Included within Support Costs are staff and other overhead costs which are recharged from Granta Publications on an arm's length basis.

Sigrid Rausing is the ultimate controlling party of Granta Publications.

Included in the Grants made by the Trust is an amount of £45,000 to the Royal Society of Literature. At the time of making the grant, Lisa Appignanesi was the chair of the Royal Society of Literature. This Grant was made on an arm's length basis and in line with the Trust's usual grant making procedures.