

The Three Squirrels Trust CIO

Registered Charity Number 1185828

Report and Financial Statements

for the period from 15th October 2019 to 5th April 2021

Trustees: Mr. C. W. Humphreys
Mrs P. M. Humphreys

Office: Hazel End Farm
Hazel End
Bishop's Stortford CM23 1HG

Stockbrokers: Smith & Williamson
25 Moorgate
London EC2R 6AY

Solicitors: HCR Hewitsons
50 - 60 Station Road
Cambridge, CB1 2JH

Trustees' Report

On 15th October 2019, the Charity was entered onto the Register of Charities with the Registered Charity Number 1185828. The Charity is a CIO established for general charitable purposes.

The Trustees have decided that it is appropriate for the Charity to prepare its accounts on a receipts and payments basis as it is not classed as a company and its annual income is below £25,000. Its resources derive from a single gift of £100,000, on 9 December 2019, which is invested in marketable securities under the management of Smith & Williamson.

During the first accounting period of the Charity, almost 18 months, the Trustees made four donations totalling £5,000. As income from investments during the period amounted to only £1,538, the balance was charged to capital. However, as at 5 April 2021, the value of the fund was £108,590 so costs and donations had been more than covered by the capital appreciation of the fund.

As to risk management, the Trustees consider that the performance of the charity's investments constitutes its main risk. The portfolio is spread over 24 separate investments, with a wide geographical coverage. However, in the longer term it is the Trustees' intention to limit grants to

available income except where special circumstances arise and, with that in mind, the brokers have been asked to adjust the portfolio with a view to improving the yield.

There were no expenses in the period apart from brokers' fees of £2,435.

As this is the charity's first Report, the Principles and Procedures which were adopted by the Trustees on 18 October 2019 are reproduced below. Grants in the initial period have been limited to charities which are already well known to the Trustees. Over time, it is their intention to broaden the list of recipients but, as the charity's income is limited to that arising from its investments, it will be a gradual process.

Dated 27 January 2022

Signed: Petronella Humphreys
Trustee

The Three Squirrels Trust CIO

Registered Charity Number 1185828

Capital Statement as at 5th April 2021

9.12.2019 Opening cash		100,000
Portfolio return before income and outgoings	14,487	
Less deficit on income account	<u>(5,897)</u>	<u>8,590</u>
Smith & Williamson valuation (as at 5 April 2021)		108,590
Represented by Cash		8,821
Bonds & Equities (24 holdings)		<u>99,769</u>
Closing value		108,590

Income Account to 5th April 2021

Receipts	Dividends and interest	1,538
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Less outgoings

Brokers' charges including VAT	(2,435)
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Grants 8.12.20	-
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HF Trust	1,000
Demand Design & Manufacture for Disability	1,000

British Red Cross, Yemini Appeal	2,000	
St Clare West Essex Hospice	<u>1,000</u>	<u>(5,000)</u> <u>(7,435)</u>
Deficit on income account		(5,897)

Principles and Procedures of The Three Squirrels Trust

Adopted by the Charity Trustees on 18 October 2019

1. ABOUT THIS POLICY

1.1 This policy applies The Three Squirrels Trust (**Charity**)

1.2 The charitable objects of the Charity are to advance such charitable purposes as the Trustees see fit from time to time, principally by making grants. (**Objects**).

1.3 The Charity is governed by the charity trustees of the Charity (**Charity Trustees**) who have a duty, acting at all times in the best interests of the Charity, to apply the Charity's assets to advance the Objects and have ultimate responsibility for all grant-making decisions.

1.4 The purpose of this policy is to set out the principles and procedures that guide the Charity Trustees when they are making grants to further the Objects. It also provides information about the Charity's grant-making process to anyone who is applying to the Charity, or would like to apply to the Charity, for a grant.

1.5 In this policy references to persons who are "connected" with a Charity Trustee mean:

(a) a child, stepchild, grandchild, parent, brothers or sister of a Charity Trustee;

(b) the spouse, unmarried partner or civil partner of a Charity Trustee or of any person falling within paragraph (a) above;

(c) any person who is in a business partnership with a Charity Trustee or any person who is in a business partnership with any person falling within paragraph (a) or (b) above; and

(d) any company, business, trust or organisation in which a Charity Trustee (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

2. OUR FUNDING PRIORITIES

2.1 The Charity Trustees are keen to support activities that advance the Objects in an effective way. However, they recognise that the funds available to distribute each year will be limited. The Charity Trustees' initial grant making priorities have yet to be determined but will

(a) focus on specific projects, as opposed to general funding, particularly those of a size where the Charity's contribution can make a material difference and

(b) as between equal claims, lean towards projects that are geographically closer to the Charity's base

and will be reviewed each year and publicised in suitable ways.

2.2 The Charity Trustees will occasionally award grants that fall outside the grant making priorities mentioned above, provided that they are satisfied that the grant will further the Objects and is an appropriate use of the Charity's funds.

3. WHO CAN APPLY FOR A GRANT

3.1 The Charity Trustees welcome proposals that support their grant making priorities from charities throughout England & Wales and, in special circumstances, elsewhere. They will not normally make grants to individuals.

3.2 The Charity Trustees will award grants to organisations based in the United Kingdom (UK) only if:

(a) they are registered as charities with the Charity Commission for England and Wales or the Office for the Scottish Charity Regulator] or the Charity Commission for Northern Ireland; or

(b) they qualify as charities under the law of England and Wales, Scotland or Northern Ireland, but are not required to register with the relevant charity regulator as above.

3.3 The Charity Trustees will not award grants to an applicant that has previously submitted a proposal where the applicant failed the Charity Trustees' due diligence checks and the issues identified at that time have not been addressed.

3.4 The Charity Trustees do not intend to make grants to organisations which are not charities.

4. WHAT WE WILL FUND

4.1 The Charity Trustees will meet yearly or half-yearly and expect to decide to make grants in amounts which reflect the income received in the previous period.

4.2 All grants awarded by the Charity must be used to cover costs that are directly connected to carrying out the charitable activities that the Charity Trustees have agreed to fund (**Funded Activities**).

5. HOW TO APPLY FOR A GRANT

5.1 Unless the Trustees decide otherwise, all grant proposals must be made in writing and in sufficient detail to explain how the grant will be used. In particular, a proposal must:

(a) demonstrate how the Funded Activities will benefit the intended beneficiaries and advance the Charity's grant making priorities;

(b) set out how use of the grant will be managed;

(c) give details of the key individual(s) who will be responsible for the management of the grant and delivering the proposed activities;

(d) provide a budget for the proposed Funded Activities;

(e) give details of any other funding that has been awarded or that is being sought for the activities to be funded by the grant.

5.2 In addition, there must also be provided with the proposal the applicant's registered charity number; if registered, or evidence of its charitable status (such as an HMRC reference number, if not plus any further information the Trustees may require under Article 8.2.

6. HOW WE MAKE DECISIONS ABOUT GRANTS

6.1 The Charity Trustees have ultimate responsibility for all grant-making decisions and for ensuring that all funds awarded are used to advance the Objects.

6.2 The Charity Trustees must declare the nature and extent of any interest, direct or indirect, which could, or could be seen to, prevent them from making a grant decision only in the best interests of the Charity. Situations in which a conflict of interest may arise include where a Charity Trustee has a duty of loyalty to a third party (such as a grant applicant) that conflicts with their duty to the Charity. Any such conflict of interest must be declared and managed by the Charity Trustees in accordance with the Charity's conflicts of interest policy.

6.3 Individual Charity Trustees may be asked to review grant proposals and make recommendations to the Charity Trustees.

6.4 Before making a decision to award a grant, the Charity Trustees may ask anyone they consider has relevant expertise or experience to provide them with information and to join in their discussions, but not to take any part in the final decision.

6.5 In all cases where a recommendation is made to them to award a grant, the Charity Trustees may (in their absolute discretion) refuse to approve that recommendation, particularly if they consider that a grant would not be an effective way to further the Objects, or would conflict with the Charity's policies or interests.

6.6 The Charity Trustees may take up to [two months] to consider grant proposals and decide if they will award a grant or not.

6.7 The Charity Trustees will inform applicants of their decision in writing.

6.8 If an applicant is awarded a grant, the Charity Trustees will:

(a) set out the key terms of the grant and any conditions that are attached to it in a grant agreement or letter; and

(b) if appropriate, ask the applicant to sign the grant agreement or letter to indicate that they accept the terms and conditions.

6.9 If the Charity Trustees decide not to award a grant for a proposal, the Charity Trustees are not obliged to give the applicant reasons for their decision.

6.10 The Charity Trustees' decision whether to award a grant is final.

7. GRANTS TO CHARITY TRUSTEES OR CONNECTED PERSONS

7.1 The Charity's trust deed permits a Charity Trustee or any person connected to them to receive a benefit from the Charity as a beneficiary of the Charity, provided that it is available generally to the beneficiaries of the Charity. This may arise if:

(a) An application for a grant is made which will, even indirectly, benefit a Charity Trustee or a person connected with them; or

(b) A Charity Trustee is connected with another charity which applies for a grant.

7.2 If an application for a grant is made where the Charity Trustee may benefit or is connected to the applicant in the circumstances set out

above, the Charity Trustee concerned must declare the situation as a potential conflict of interest or duty. They may participate in the decision-making process unless the other Charity Trustees consider it would be inappropriate.

8. DUE DILIGENCE

8.1 When the Charity Trustees are considering a grant-funding proposal, they will undertake such due diligence checks on the applicant as they consider appropriate. The checks that are undertaken will vary according to the Charity Trustees' assessment of any risks associated with the proposal or the applicant.

8.2 Due diligence may include requesting details of, and taking such steps as the Charity Trustees consider to be reasonable to scrutinise, any of the following:

- (a) the applicant's governing document;
- (b) the applicant's latest accounts and financial position;
- (c) the identity of the applicant's directors, trustees, executive committee or other key personnel, in particular, to seek to establish whether they are authorised to act in that capacity;
- (d) the applicant's governance and operational structures and practices;
- (e) the applicant's internal financial controls;
- (f) relevant operational policies and procedures that the applicant has in place;
- (g) the applicant's aims and values; and
- (h) any external risk factors that might affect the proposal.

9. REPORTING REQUIREMENTS AND MONITORING

9.1 The Charity Trustees may (dependent on the size of the grant) take steps to monitor the use of the grant and verify that the grant is used for the purposes that have been agreed. The arrangements for monitoring will vary according to the nature and size of the grant but may, for example, include a request for a written report showing the complete and effective use of the grant. The Charity Trustees will always seek to ensure that the arrangements are appropriate and proportionate.

9.3 If appropriate, the Charity Trustees may also visit a recipient

charity to view the grant-funded activities and interview individuals involved in running those activities.

9.4 Basic monitoring requirements will be set out in the grant agreement or letter. However, the Charity Trustees may take any additional steps to monitor the use of grant funds that they consider appropriate.

10. CLAWBACK AND REPAYMENT

The Charity Trustees may require repayment of all or part of the grant if:

(a) the project or purpose for which it was awarded does not proceed;

(b) part of the grant remains unused when the activities that the grant was intended to fund have been completed; or

(c) the grant is used for a purpose other than that which has been agreed.

11. REVIEWING AND AMENDING THIS POLICY

11.1 This policy will be reviewed by the Charity Trustees annually.

11.2 The Charity Trustees may vary the terms of this policy from time to time.