

HARTSWOOD TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

HARTSWOOD TRUST

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HARTSWOOD TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 MARCH 2021

Trustees K Sutaria (appointed 16 December 2019)
S L Garrett (appointed 16 December 2019)
S Sutaria (appointed 16 December 2019)
M J Haynes (appointed 16 December 2019)

Charity registered number 1186582

Registered office MHA Macintyre Hudson
6th Floor
2 London Wall Place
London
EC2Y 5AU

Independent examiner MHA MacIntyre Hudson
Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

Investment manager Schroder & Co. Limited
1 London Wall Place
London
EC2Y 5AU

HARTSWOOD TRUST

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2021

The Trustees present their first annual report together with the financial statements of the Charity for the period 26 November 2019 to 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the Charity.

Objectives and activities

a. Objects, purpose and public benefit

The Charity was established on 26 November 2019 under its Trust Deed, as a Charitable Incorporated Organisation, to further such purposes which may be charitable according to the law of England and Wales as the Trustees see fit.

In setting objectives and planning for current and future activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. All activities have been undertaken to further the Charity's purpose as per its governing document and for the public benefit.

b. Main activities undertaken to further the Charity's purposes for the public benefit

The main activities undertaken in relation to the purposes of the Charity, as per its governing document, are those of grant making, in particular supporting charities and businesses whose work has a demonstrable benefit to the environment.

Achievements and performance

a. Main achievements of the Charity

During the period, the Trustees undertook legal advice in establishing and setting up a Governance structure and successfully registered the charity as a Charitable Incorporated Organisation. An expendable endowment was donated to the Charity, and was subsequently invested as fixed asset listed investments. Following its establishment and successful acceptance of the expendable endowment, the Trustees have worked upon formulating a grant making policy and begun researching into appropriate subjects for grant making investments.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

HARTSWOOD TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

b. Reserves policy

The reserves policy of the Charity is currently being formed based on the planned charitable activities in future periods. The Trustees will always retain sufficient reserves to cover any expenses for the following year.

The Endowment fund is expendable in nature, and is considered to consist of the value of the investments, including the capital bank account but excluding income account balances. Where necessary, funds are transferred to the Unrestricted fund to support the charitable activities.

At the period end, the Charity held total funds of £4,919,321, being expendable endowment funds of £4,909,300 and unrestricted general funds of £10,021.

c. Financial review

During the period, the Charity received total income of £4,291,512. The majority of this arose from the donation of an expendable endowment which totalled £4,261,386. The remainder of the income arose from investment holdings, being £30,126 in total.

Total expenditure for the period was £48,126. Of this investment management costs totalled £18,021 whilst other support costs totalled £30,105, which were incurred in establishing the charity in order for it to make charitable grants in the future.

During the period, the Charity's investments recorded a revaluation gain of £675,935 resulting in an overall net income after investment gains and losses of £4,919,321.

Structure, governance and management

a. Constitution

Hartswood Trust is a registered Charitable Incorporated Organisation, number 1186582, and is constituted under a Trust deed.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

HARTSWOOD TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
K Sutaria

Trustee

Date: 17-01-22

HARTSWOOD TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE PERIOD ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Hartswood Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the period ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement


Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

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

Signed: 

Dated: 18/01/2022

Stuart McKay BSc FCA DChA

MHA Macintyre Hudson, Chartered Accountants, 6th Floor, 2 London Wall Place, EC2Y 5AU

HARTSWOOD TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2021

	Note	Unrestricted funds Period ended 31 March 2021 £	Endowment funds Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Income and endowments from:				
Donations	3	-	4,261,386	4,261,386
Investments	4	30,126	-	30,126
		<u>30,126</u>	<u>4,261,386</u>	<u>4,291,512</u>
Total income and endowments				
Expenditure on:				
Raising funds	5	-	18,021	18,021
Charitable activities	6	30,105	-	30,105
		<u>30,105</u>	<u>18,021</u>	<u>48,126</u>
Total expenditure				
Net income before net gains on investments		21	4,243,365	4,243,386
Net gains on investments		-	675,935	675,935
		<u>21</u>	<u>4,919,300</u>	<u>4,919,321</u>
Net income		21	4,919,300	4,919,321
Transfers between funds	10	10,000	(10,000)	-
		<u>10,021</u>	<u>4,909,300</u>	<u>4,919,321</u>
Net movement in funds				
Reconciliation of funds:				
Net movement in funds		10,021	4,909,300	4,919,321
		<u>10,021</u>	<u>4,909,300</u>	<u>4,919,321</u>
Total funds carried forward				
		<u>10,021</u>	<u>4,909,300</u>	<u>4,919,321</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

HARTSWOOD TRUST

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £
Fixed assets		
Investments	8	4,691,202
		<hr/> 4,691,202
Current assets		
Cash at bank and in hand		257,974
		<hr/> 257,974
Creditors: amounts falling due within one year	9	(29,855)
		<hr/>
Net current assets		228,119
		<hr/>
Total net assets		4,919,321
		<hr/> <hr/>
Charity funds		
Endowment funds	10	4,909,300
Unrestricted funds	10	10,021
		<hr/>
Total funds		4,919,321
		<hr/> <hr/>

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



.....
K Sutaria

Trustee

Date: 17-01-22

The notes on pages 8 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

1. General information

The Hartswood Trust is a registered Charitable Incorporated Organisation (Charity registered number 1186582) with the Charity Commission in England and Wales.

The address of the registered office is given in the Charity information on page 1 of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Hartswood Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in pounds sterling which is both the functional and presentational currency of the Charity and are rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

These are the first financial statements issued by the Charity and they include the period from 26 November 2019 to 31 March 2021.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist, including considering the impact of Covid-19. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes investment manager costs.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities. As investments are revalued continuously to fair value, no realised gains or losses arise.

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.8 Financial instruments**

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Fixed asset investments - are classified as a basic financial instrument and are measured at fair value as detailed in Note 8.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - accruals and other creditors are classified as financial instruments and are measured at amortised cost as detailed in Note 9.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Expendable Endowment funds represent those assets which must be held permanently by the Charity but can be applied on charitable activities at the discretion of the Trustees. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included in unrestricted income. Investment management costs are deducted directly from the endowment fund.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations

	Endowment funds Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Donations	<u>4,261,386</u>	<u>4,261,386</u>

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

4. Investment income

	Unrestricted funds Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Dividend income	29,383	29,383
Interest income	743	743
	<u>30,126</u>	<u>30,126</u>

5. Investment management costs

	Endowment funds Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Investment management fees	18,021	18,021
	<u>18,021</u>	<u>18,021</u>

6. Analysis of expenditure by activities

	Support costs Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Charitable activities	30,105	30,105
	<u>30,105</u>	<u>30,105</u>

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds Period ended 31 March 2021 £
Professional fees	25,792
Website costs	643
Governance costs - Independent examiners fees	3,420
Charitable donation	250
	<hr/>
	30,105
	<hr/>

7. Staff costs, trustees' remuneration and expenses

The Charity has no employees and the Trustees are considered to be the Key Management Personnel.

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 March 2021, no Trustee expenses have been incurred.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

8. Fixed asset investments

	Listed investments £
Cost or valuation	
Additions	6,211,645
Disposals	(2,932,436)
Revaluations	675,935
Transfer of securities	736,058
	<hr/>
At 31 March 2021	4,691,202
	<hr/>
Net book value	
At 31 March 2021	4,691,202
	<hr/>

During the period, securities with a market value of £736,058 were donated to the Charity. This donation represents part of the expendable endowment donation of £4,261,386 made in the period, further details of which can be found in Note 10.

9. Creditors: Amounts falling due within one year

	2021 £
Other loan	26,435
Accruals	3,420
	<hr/>
	29,855
	<hr/>

The other loan represents amounts due to a Trustee as detailed in Note 12. The loan is interest free and is repayable on demand.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

10. Statement of funds

Statement of funds - current period

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General funds	30,126	(30,105)	10,000	-	10,021
Endowment funds					
Expendable endowment fund	4,261,386	(18,021)	(10,000)	675,935	4,909,300
Total of funds	4,291,512	(48,126)	-	675,935	4,919,321

During the current period, an expendable endowment was donated to the Charity. The endowment donation consisted of capital and securities, all of which were transferred directly into the fixed asset investment accounts of Hartswood Trust. The Endowment fund is expendable in nature, and is considered to consist of the value of the fixed asset investments, including the capital bank accounts, but excluding the income accounts, as income generated on endowment may be used for the Charity's general objects. Where necessary funds will be transferred to the unrestricted fund to support the Charity's activities and, at the date of the donation, £10,000 was transferred into a separate income account of the Charity for such use.

11. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	-	4,691,202	4,691,202
Current assets	39,876	218,098	257,974
Creditors due within one year	(29,855)	-	(29,855)
Total	10,021	4,909,300	4,919,321

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

12. Related party transactions

During the period, an expendable endowment donation of £4,261,386 was made to establish the Charity. This donation consisted of securities with a market value of £736,058 and the balance of capital, which were received from the Sutaria Charitable Trust. These funds constitute the accumulation of funds which the Sutaria family have committed to charitable causes.

Goods and services with a total cost of £26,435 were also paid on behalf of the Charity by K Sutaria. The value of these goods and services has been recognised as a loan to the Charity. The loan is interest free and repayable on demand. As at the period-end, the outstanding balance of the loan was £26,435.