

HARTSWOOD TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

HARTSWOOD TRUST

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HARTSWOOD TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees	K Sutaria S L Garrett S Sutaria M J Haynes
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 YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the Charity for the year 1 April 2021 to 31 March 2022. 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 whose work has a demonstrable benefit to the environment. The Charity undertakes a pro-active approach to grant making, and unrestricted grants are offered to select organisations whose activities align with this focus. The Charity monitors the beneficiaries of grants to ensure that funds are spent in line with its charitable objectives, including, but not limited to, six monthly reviews and annual reports on the use of funds and progress in their respective areas.

Achievements and performance

a. Main achievements of the Charity

Following the establishment of the expendable endowment in the prior period, the Trustees have worked upon formulating a grant making policy and have researched into appropriate subjects for grant making investments.

During the year, grants totalling £105,000 were made to institutions. Further details can be found in Note 7 to the accounts.

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 YEAR ENDED 31 MARCH 2022

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 £5,079,639, being expendable endowment funds of £5,045,933 and unrestricted general funds of £33,706.

c. Financial review

During the year, the Charity received total income of £46,390 from investment holdings and donations.

Total expenditure for the period was £174,429. Of this investment management costs totalled £51,724, grant payments totalled £105,000 and other support costs totalled £17,705.

During the year, the Charity's investments recorded a revaluation gain of £288,357, resulting in overall net income after investment gains and losses of £160,318.

d. Future plans

The Trustees are currently considering investing a proportion of the Endowment in social investments with businesses whose work has a demonstrable benefit to the environment.

Structure, governance and management

a. Constitution

Hartwood 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 YEAR ENDED 31 MARCH 2022

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 year, 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: 08/12/2022

HARTSWOOD TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

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 year ended 31 March 2022.

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: 23/01/2023

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 YEAR ENDED 31 MARCH 2022

		Unrestricted funds	Endowment funds	Total funds	Total funds Period ended 31 March 2021
	Note	31 March 2022 £	31 March 2022 £	31 March 2022 £	£
Income and endowments from:					
Donations	3	312	-	312	4,261,386
Investments	4	46,078	-	46,078	30,126
		<u>46,390</u>	<u>-</u>	<u>46,390</u>	<u>4,291,512</u>
Total income and endowments					
Expenditure on:					
Raising funds	5	4,830	51,724	56,554	18,021
Charitable activities	6	117,875	-	117,875	30,105
		<u>122,705</u>	<u>51,724</u>	<u>174,429</u>	<u>48,126</u>
Total expenditure					
Net (expenditure)/income before net gains on investments		(76,315)	(51,724)	(128,039)	4,243,386
Net gains on investments		-	288,357	288,357	675,935
		<u>(76,315)</u>	<u>236,633</u>	<u>160,318</u>	<u>4,919,321</u>
Net (expenditure)/income					
Transfers between funds	13	100,000	(100,000)	-	-
		<u>23,685</u>	<u>136,633</u>	<u>160,318</u>	<u>4,919,321</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		10,021	4,909,300	4,919,321	-
Net movement in funds		23,685	136,633	160,318	4,919,321
		<u>33,706</u>	<u>5,045,933</u>	<u>5,079,639</u>	<u>4,919,321</u>
Total funds carried forward					

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

All income and expenditure derive from continuing activities.

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

HARTSWOOD TRUST

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	4,672,405	4,691,202
		<u>4,672,405</u>	<u>4,691,202</u>
Current assets			
Debtors	11	7,500	-
Cash at bank and in hand		516,994	257,974
		<u>524,494</u>	<u>257,974</u>
Creditors: amounts falling due within one year	12	(117,260)	(29,855)
Net current assets		<u>407,234</u>	<u>228,119</u>
Total net assets		<u><u>5,079,639</u></u>	<u><u>4,919,321</u></u>
Charity funds			
Endowment funds	13	5,045,933	4,909,300
Unrestricted funds	13	33,706	10,021
Total funds		<u><u>5,079,639</u></u>	<u><u>4,919,321</u></u>

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



.....
K Sutaria

Trustee

Date: 08/12/2022

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

The prior period saw the first financial statements issued by the Charity and they include the period from 26 November 2019 to 31 March 2021. The prior period figures are therefore not directly comparable with the current year.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. 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 YEAR ENDED 31 MARCH 2022**

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 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.

2.8 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.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.9 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 10.

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 12.

2.10 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

	Unrestricted funds	Endowment funds	Total funds
	31 March 2022 £	31 March 2022 £	31 March 2022 £
Donations	312	-	312

	Endowment funds Period ended 31 March 2021 £	Total funds Period ended 31 March 2021 £
Donations	4,261,386	4,261,386

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Investment income

	Unrestricted funds	Total funds	Total funds Period ended
	31 March 2022 £	31 March 2022 £	31 March 2021 £
Dividend income	45,547	45,547	29,383
Interest income	531	531	743
Total 2022	<u>46,078</u>	<u>46,078</u>	<u>30,126</u>
<i>Total 2021</i>	<u>30,126</u>	<u>30,126</u>	

5. Cost of raising funds

	Unrestricted funds	Endowment funds	Total funds
	31 March 2022 £	31 March 2022 £	31 March 2022 £
Investment management fees	-	51,724	51,724
Support cost allocation	4,830	-	4,830
	<u>4,830</u>	<u>51,724</u>	<u>56,554</u>
		<i>Endowment funds Period ended 31 March 2021 £</i>	<i>Total funds Period ended 31 March 2021 £</i>
Investment management fees		<u>18,021</u>	<u>18,021</u>

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

6. Analysis of expenditure on charitable activities

	Grant funding of activities	Support costs	Total funds
	31 March 2022 £	31 March 2022 £	31 March 2022 £
Charitable activities	105,000	12,875	117,875

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

Further details on grants paid in the year can be found in Note 7 to the accounts.

Further details on support costs incurred in the year can be found in Note 8 to the accounts.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Grants paid to institutions

	31 March 2022 £	Period ended 31 March 2021 £
Disasters Emergency Committee (Ukraine appeal)	5,000	-
Blue Ventures (Conservation in West Africa)	50,000	-
ClientEarth (Conservation in Asia and Europe)	50,000	-
Total grants paid	105,000	-

8. Analysis of support costs

	31 March 2022 £	Period ended 31 March 2021 £
Professional fees	7,400	25,792
Website costs	620	643
Governance costs - Independent examiners fees	3,570	3,420
Charitable donation	-	250
Legal costs	1,470	-
Accountancy costs	4,620	-
Interest and charges	25	-
	17,705	30,105

9. Staff costs, trustees' remuneration and expenses

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

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - NIL).

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

10. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	4,691,202
Additions	2,502,566
Disposals	(2,809,720)
Revaluations	288,357
At 31 March 2022	<u>4,672,405</u>
Net book value	
At 31 March 2022	<u>4,672,405</u>
At 31 March 2021	<u>4,691,202</u>

11. Debtors

	2022 £	2021 £
Due within one year		
Prepayments	7,500	-
	<u>7,500</u>	<u>-</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loan	-	26,435
Accruals	17,260	3,420
Grants accrued - institutional	100,000	-
	<u>117,260</u>	<u>29,855</u>

The other loan represents amounts due to a Trustee as detailed in Note 15. The loan is interest free and is repayable on demand.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General funds	10,021	46,390	(122,705)	100,000	-	33,706
Endowment funds						
Expendable endowment fund	4,909,300	-	(51,724)	(100,000)	288,357	5,045,933
Total of funds	4,919,321	46,390	(174,429)	-	288,357	5,079,639

During the prior 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, in the current year, £100,000 was transferred into the unrestricted funds of the Charity for such use.

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Statement of funds (continued)

Statement of funds - prior year

	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2021</i> £
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	<u>4,261,386</u>	<u>(48,126)</u>	<u>-</u>	<u>675,935</u>	<u>4,919,321</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Fixed asset investments	-	4,672,405	4,672,405
Current assets	150,966	373,528	524,494
Creditors due within one year	(117,260)	-	(117,260)
Total	<u>33,706</u>	<u>5,045,933</u>	<u>5,079,639</u>

HARTSWOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
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

15. Related party transactions

During the prior 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.

Goods and services with a total cost of £26,435 were also paid in the prior period 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 current year-end, the outstanding balance of this loan was £Nil.

Unrestricted donations totaling £312 were received from the Trustees in the year (2021: £Nil).