

**Smallwood Trust**

Trustee's Report and Financial Statements

For the Year Ended 31 December 2022



## **SMALLWOOD TRUST**

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## **SMALLWOOD TRUST**

### **Reference and Administrative Details of the Charity, its Trustee and Advisers For the Year Ended 31 December 2022**

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<b>Patron</b>	Her Most Gracious Majesty The Queen (deceased 8 September 2022)
<b>Trustee</b>	Smallwood Trust (Trustee) Limited
<b>Directors of trustee company</b>	D Myers, Chair M Margrie, Deputy Chair J R Bailey C Hine Dr A Shah F Vaid MBE
<b>Charity registered number</b>	205798
<b>Principal office</b>	Lancaster House 25 Hornyold Road Malvern WR14 1QQ
<b>Chief executive officer</b>	P Carbury
<b>Independent auditor</b>	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank plc 48 Belle Vue Terrace Malvern Worcestershire WR14 4QG
<b>Investment managers</b>	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
	Investec 30 Gresham Street London EC2V 7QN
	Newton Investment Management Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA

## **SMALLWOOD TRUST**

### **Trustee's Report For the Year Ended 31 December 2022**

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Smallwood Trust (Trustee) Limited ("the Trustee") presents its annual report together with the audited financial statements of the Charity for the year 1 January 2022 to 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the Trust's governing documents (The Charity Commission Schemes of 2 November 1917, 9 November 1928, 29th October 2019 and the section 280 resolutions of the trustees dated 18 May 2017 and 1st November 2019), the articles of association of Smallwood Trust (Trustee) Limited, the Charities Act 2011 and the Statement of Recommended Practice for charities (SORP 2019) (effective 1 January 2019).

#### **Objectives and activities**

##### **a. Policies and objectives**

The charitable object as set out in the Schemes is the application of the income of the Trust for the benefit of women in poverty.

The Trust's primary purpose is to provide direct financial assistance by way of grants to women on low incomes and to provide grant funding to charities, social enterprises and other non-profit organisations to help deliver the Trust's mission of enabling women to be financially resilient.

UK Poverty is gendered. Women are more likely to live in poverty than men. Women's poverty is largely explained by the unequal position of women in society which is exacerbated by caring status, ethnicity, health, age, sexuality, gender identity and disability. Systems such as the labour market, the design of social security and the role of paid and unpaid care all contribute to gendered poverty. Without a gender lens, existing gender inequalities are reinforced and the root causes of gendered poverty persist.

The Trust's funding aims to help women in or at risk of poverty become self-reliant and financially independent both through the provision of direct financial assistance and funding for non-profit organisations that aim to encourage financial stability and help overcome barriers such as low income, debt, economic abuse, poor housing or mental health concerns.

There is clear evidence for our approach to ensuring public benefit:

- Women's access to resources and opportunities is typically narrower and more constrained than that of men;
- Disadvantaged women have poorer labour market attachment, and are more likely to head povertyprone households;
- Young women make up the majority of people not in employment, education and training, many because of caring for others;
- The rate of poverty amongst ethnic minority women in the UK is much higher than other groups;
- The links between gender and poverty are most visible in single adult households;
- Part-time work and low pay are more prevalent among women as a result of gender discrimination and constraints due to caring; and
- Persistent poverty is more likely to involve women and women are also more likely to suffer recurrent spells of poverty.

Therefore, to help meet our charitable objectives, the Trustee has agreed the following vision, mission and values statements:

#### **VISION**

Our vision is a country where no woman lives in poverty.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Objectives and activities (continued)**

#### **Policies and objectives (continued)**

#### **MISSION**

Our mission is to enable women to be financially resilient.

#### **VALUES**

- Fairness and honesty in everything we do
- Pride in our work and the Trust
- Good stewardship of our resources
- A proactive commitment to continuous improvement
- Innovation as we enable women to meet their potential

In setting objectives and planning for activities, the Trustee has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trustee confirms that in planning the activities of the Trust, the Trustee has given careful consideration to how the Trust has fulfilled its charitable objectives.

#### **b. Aims and Strategies for achieving objectives and Activities undertaken to achieve objectives**

In 2022, The Board agreed the 2022-2024 Strategic Plan. Our new plan has been influenced by the past five years of providing enhanced funding to a growing portfolio of support to individuals, organisations and policy and influencing activities.

To achieve our ambitions, we are continuing to invest in our people and infrastructure to support and work alongside communities to develop workable models that improve economic and social outcomes for women.

Our Strategic Plan outlines our mission to finding solutions to the root causes of gendered poverty so that:

1. UK women are free from poverty and have a sustainable and secure financial future
2. Future generations of UK women are less likely to live in poverty
3. UK women can live in a society that equally values their contribution

Evaluating our progress is a key component of our plan particularly in relation to our main priorities to help reduce gendered poverty which are to:

1. Target our funding to women who are most at risk of poverty, enabling them to have more power, opportunity and skills to thrive and become financially resilient.
2. Develop workable place-based models that tackle the root causes of gendered poverty and have the potential to scale or be adopted elsewhere.
3. Support accessible and sustainable networks for women enabling them to be empowered and have agency within their local communities.
4. Support external partners and other stakeholders to develop a gender-lens to their approach.

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

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#### Objectives and activities (continued)

Significantly, the Board have agreed to make an additional £5m available from our expendable endowment over the next three years to supplement the annual income from our investments and any external funds that we secure as a crucial part of our approach.

#### Achievements and Performance

The following objectives were agreed for 2022:

1. To implement the 2022-2024 Strategic Plan, placing a greater emphasis on tackling the root causes of gendered poverty while continuing to respond to immediate needs such as the cost of living crisis.
2. To implement the place-based funding model, strengthen our approach to evaluation and learning and begin to identify programmes that can challenge and reform the systems that keep women in poverty.
3. To remodel the HQ grants to individuals programme, moving to a more targeted grant-making approach.
4. To develop partnership opportunities to enhance our impact, including working with Turn2Us and Buttle UK on a collaborative gendered poverty partnership to explore a participatory approach to grant-making with local communities.
5. To produce an Annual Impact Report which highlights the Trust's learning, impact, monitoring and evaluation activities.
6. To publish and share the EDI Action Plan, including the research into our historical wealth and investments.

Following the COVID-19 pandemic and the subsequent cost of living crisis demand for vital grant funds continued to rise. With the introduction of the Stabilisation Fund, the Trust was able to continue to support an increased amount of grant funding throughout 2022, compared with pre-pandemic levels.

Our report on the achievements of our 2022 objectives focuses on our continued response including how we are developing our grant-making to be more inclusive by shifting power and funding a place-based systems change approach.

1. **To implement the 2022-2024 Strategic Plan, placing a greater emphasis on tackling the root causes of gendered poverty while continuing to respond to immediate needs such as the cost of living crisis.**

The Strategic Plan was launched in February 2022. In addition to the objectives described on Page 4, the Plan contains the following core elements:

- **Investments**

We will spend £8m in grants, practical support, evaluation and sharing learning from our own resources, drawing down up to an additional £5m from our expendable endowment

**Progress in 2022**

We awarded £2.3 million in grant funds across a range of programmes including our community grant partnerships, a Cost of Living Fund for individuals, our place-based fund and influencing initiatives. During the year we transferred £2.1 million in cash from our expendable endowment to support the continued uplift in higher grants expenditure compared to pre-pandemic levels.

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

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#### Objectives and activities (continued)

- **Shifting power**

We will aim to be a trusted partner working together to advance economic justice for women. We are interested in devolving power through our grant-making by building on the work already started through our community grant partnerships. In 2022 we won the grant-making and funding category at the Charity Awards for the community grant partnership programme.

**Progress in 2022**

We have implemented a number of initiatives to meet our aims of shifting power. This includes a £1m joint programme with our partners Buttle UK and Turn2Us to develop a co-designed grants programme with local women in Middlesbrough. The Board have also resolved to commit £2.4m in multi-year funding to our community grant partners who have autonomy to distribute grants to individual women. We also selected four candidates with lived experience of gendered poverty for our 2022/23 Board Shadowing Programme, which is in its 2nd year.

- **Equity, diversity and Inclusion**

We will publish an EDI Action Plan and report back to partners on how we are making our funding practices, policies and procedures more inclusive

**Progress in 2022**

We have published and made progress towards the actions in our EDI Plan which can be found on our website. We have engaged with external partners to share learning on our EDI journey and to learn from others. More detail on our approach and EDI activities can be found on Page 11.

- **Trust-based funding**

We will provide multi-year funding for core costs, adopt transparent and simplified processes, and be informed by the lived experience of women

**Progress in 2022**

The majority of Smallwood funds are awarded in multi-year grants. In the year we also distributed funds from the Tampon Tax Fund (TTF) in partnership with Rosa – these grants were for 18 months as stipulated by TTF. As noted above the Board have agreed to re-fund the existing community grant partnerships over the next three years. In 2022 we operated a Cost of Living Fund for individual women with a streamlined process and which was targeted at women most at risk of poverty according to the latest research. We are working with women with lived experience of gendered poverty at a governance level through our Board Shadowing and at an operational level through our co-production initiatives and grant programmes.

- **Working in partnership**

Though we will significantly increase the funding available from our own investments, we will be open to co-funding, collaboration and developing partnerships with other funders, local and national government and other stakeholders

**Progress in 2022**

Partnership is at the heart of what we do. For example, we have taken a collaborative approach with other funders such as Turn2Us and Buttle UK to develop and co-design a grants programme with local women in Middlesbrough. With the Sisters Trust we received additional funding to help strengthen relationships between national women's policy organisations and frontline women's organisations through our place-based programme. During the year Barclays confirmed their ongoing partnership to support the delivery of LifeSkills, employability programmes and our community grant partners over 2.5 years. At the end of the year we were in discussions with other major funders about supporting Smallwood programmes in 2023 and beyond.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Objectives and activities (continued)**

- 2. To implement the place-based funding model, strengthen our approach to evaluation and learning and begin to identify programmes that can challenge and reform the systems that keep women in poverty.**

We have committed funding of £2.1 million over three years to our place-based programme to help tackle the root causes of gendered poverty. The progress of the partners is as follows:

#### **Coventry Women's Partnership**

Four years ago, Smallwood began to explore a more transformational approach to our grant-making and funded a three year place-based pilot in Coventry - the Coventry Women's Partnership - to improve economic outcomes for women.

In the first three years the partnership set out to help 300 women but in fact supported more than 800. It has also received international recognition for its contribution to the publication of six reports by the Women's Budget Group on the impact of the project on the individuals and communities it supported.

The project was a three-year pilot funded by the Smallwood Trust and co-ordinated by the Women's Budget Group. Women reported substantial – and statistically significant – improvements in their mental health, physical health, relationships, finances, debt, legal status and housing. Service staff also reported that increased collaboration, more effective referrals and greater knowledge of partner services had improved the quality of services and, as a result, also outcomes for women. You can read more about this network [here](#).

The programme has subsequently been funded for a further three years and further evaluation will be reported in 2023.

Based on our experience in Coventry we funded two other place-based networks as follows:

#### **Birmingham No Recourse to Public Funds Support Network**

##### **Overview**

This network has come together to urgently address the needs of women who are experiencing domestic violence (DV) with No Recourse to Public Funds (NRPF) in the West Midlands. Birmingham NRPF Support Network is holistically supporting women with NRPF, maximising resources by promoting inter-agency response and referral pathways and amplifying their voices to create an evidence base for systems change.

The Birmingham network is also developing a more co-ordinated and responsive set of services for women with NRPF. This will lead to improved referral pathways that reduce the likelihood of women 'falling through the cracks' and becoming homeless, and so also protects their children. Whilst supporting more joined-up ways of support for women with NRPF, the network will also influence practice and processes using women's voices and lived experiences to lead best practices, provide examples, and continuously challenge/call out bad practices so that NRPF women are treated fairly, with dignity and respect.

Alongside this, the Birmingham' No Recourse to Public Funds Support Network will develop and pilot solutions at local and national policy levels, to support women with NRPF to access welfare, advice, and housing.

##### **Network partners**

The network is led by Birmingham and Solihull Women's Aid. Partners include: Central England Law Centre Birmingham, Refugee and Migrant Centre, Baobab Women's Project, The British Red Cross and Roshni Birmingham.



**Objectives and activities (continued)**

**Women of Wythenshawe (WoW)**

**Overview**

WoW brings women together around their shared goals and the place that they have in common to achieve better outcomes for Women in Wythenshawe. The network aims to achieve as rich and broad a diversity of members as possible including a range of ages, ethnic backgrounds, and different kinds of experiences.

After witnessing a gradual breakdown in community relations and trust between people and across neighbourhoods in Wythenshawe over the past twenty years, this network is bringing low-income women into dialogue with each other and identifying critical challenges that are holding them in poverty, prioritising issues that are acute or cross-cutting, and co-producing solutions with professionals with access to the power and relationships that low-income women need to achieve lasting change.

Women of Wythenshawe's approach is being driven from the bottom up through the process of dialogue, peer exchange, confidence building, leadership development and enabling. Network partners recognise that women's voices and experience are critical to long-term success in reducing gendered poverty and improving wellbeing among low-income women in Wythenshawe.

**Network partners**

Women of Wythenshawe will be convened by Community Led Action and Savings Support with support from Wythenshawe Community Housing Group. Partners include: Lifted Carers, Well Women Project, SENSitive, Mums Mart, Wythenshawe Family Centre, Olive Pathway, Know Africa and Better Things.

**3. To remodel the HQ grants to individuals programme, moving to a more targeted grant-making approach.**

During June 2022, we launched a Cost of Living Fund where individual women in need could be referred to Smallwood for direct financial support. This was in response to a large increase in women requesting support to help with rising costs, such as energy bills, fuel prices, food and basic essentials.

**Why we did it**

We knew that certain groups of women were disproportionately affected by the Cost of Living crisis. As a result of this, the fund had a particular focus on the following:

- Women that are single parents
- Disabled women
- Women with no recourse to public funds
- Women who are or who have been affected by domestic violence or abuse
- Black, Asian and Minoritised women

The backbone of our grants to individuals programme is to help women be financially resilient and deal with financial shocks. This is paramount as women continue to shoulder multiple crises.

**A new way of working**

The Cost of Living Fund also represented a transformation of our grants to individuals programme. We worked with a selected group of referral organisations who are supported by our grants team to give direct financial aid alongside their current services for women.

Smallwood worked with c.30 referral partners situated across the UK. This approach echoes the principles of our Community Grant Partnerships programme which determines collaborative working to have the greatest impact on reaching women affected by gendered poverty.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Objectives and activities (continued)**

##### **The impact**

Many of our referral partners observed women relying on oversubscribed food banks in order to feed their family, to pay their bills and feeling as though their life is increasingly slipping into financial chaos. Through the help of the Cost of Living Fund mothers are able to stock their cupboards and feed their children three meals a day without compromising their own intake of food. Women have managed to relieve themselves of long standing debt, and have often had their difficult circumstances fully acknowledged for the first time.

An immediate injection of funds through the Cost of Living Fund has sustained a sense of dignity and wellbeing as women were able to stock their cupboards and create a safe environment for their children amidst much uncertainty.

##### **The numbers**

Since its inception the Cost of Living Fund awarded £240,000 of direct financial support to individual women. This was complementary to the £570,000 worth of support for individual women devolved through our community grant partnerships.

The groups of women awarded with grants were:

- Women that are single parents: 66%
- Women who are or who have been affected by domestic violence or abuse: 60%
- Black, Asian and Minoritised women: 39%
- Disabled women: 30%
- Women with no recourse to public funds: 11%

The Smallwood Trust is committed to ending gendered poverty in the UK and we will continue to respond to a rapidly changing economic landscape. Towards the end of 2022 we were in discussions with a major external funder to increase our response to support the women's sector through the cost of living crisis.

#### **4. To develop partnership opportunities to enhance our impact, including working with Turn2Us and Buttle UK on a collaborative gendered poverty partnership to explore a participatory approach to grant-making with local communities.**

Together with Buttle UK and Turn2Us during 2022 we started to implement a partnership to co-design a grants programme with local women in Middlesbrough to help improve their economic and social outcomes. Smallwood, Buttle UK and Turn2Us have committed up to £1 million towards the programme over the next three years.

2022 was the start of an inception and pilot phase. We know that giving grants is not enough to end poverty, so we have been working together to see what happens when grant makers collaborate on a project that shifts power to local communities. The result of this is the Middlesbrough Collaboration which aims to reduce poverty for women and their children in the town.

##### **Why?**

We know that women and children are more likely to live in poverty, and women from racially minoritised groups, disabled women and women with caring responsibilities are more likely to face financial insecurity. We also know that caring for children can leave women at greater risk of poverty.

The aim of our programme is to test whether a collaborative approach to grant-making can transform the lives of women and their children. This means we want to try different ways of making grants working in partnership with women and children because we think the old ways of grant making are no longer effective.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Objectives and activities (continued)**

Our principles are:

- Collaboration and co-production
- Honesty
- Accountability - to each other, co-production partners and women in poverty
- Partnership working – creating fair and deep relationships with each other and the people we work with
- Commit to intersectional feminist values.
- Shared decision-making

So far, during the inception phase we have:

- Built relationships with local women and two community organisations (Ubuntu Multi-Cultural Centre & Creative Minds Middlesbrough) in the Newport ward of Middlesbrough.
- Held a series of co-production workshops with local women to design a new grant fund. This grant fund will test the impact of delivering grants with wrap-around local support.
- Met with the council, other grant makers and charities in the region to understand more about what is already happening to challenge the causes of gendered and child poverty.

We believe:

- Local women and the community organisations that support them are best placed to make decisions about the support they need.
- It's not enough to give temporary support, we need to change the systems so women and their children are no longer pushed into poverty.
- That making sure women and their children are financially secure is just one part of helping them to thrive and live a full life.
- We can't do this on our own and we want work together with residents and organisations in the community to end poverty for women and their children

The next stage is to develop a pilot grants programme that will start delivery in 2023 and we will continue to share our learning as this programme develops.

#### **5. To produce an Annual Impact Report which highlights the Trust's learning, impact, monitoring and evaluation activities.**

The Annual Impact Report can be read on our website. During 2022 we secured almost £500,000 from The National Lottery Community Fund to establish the Gendered Poverty Learning Programme to develop our learning and evaluation approach.

The learning programme will enable Smallwood and our grant partners - all of which are women-led organisations - to identify what works in tackling local systems of injustice, and encourage collaboration and shared learning to make significant change for women in their areas.

The three main objectives of the Gendered Poverty Learning Programme (GPLP) are to:

1. Provide 'wrap-around' support to networks of local community organisations largely run by and for women to help tackle the root causes of gendered poverty.
2. To identify approaches and elements of good practice that can be scaled or replicated through the networks to improve social and economic outcomes for women in poverty.
3. To help build and strengthen thriving, accessible and supportive networks for women so they can respond to and overcome future economic shocks and crises.

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

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#### Objectives and activities (continued)

With our grantee partners, we will deliver the following menu of options over three years, based on the needs and direction of the organisations we fund:

- Leadership support
- Networks support
- Making systemic change
- Communications and influencing
- Movement building
- Monitoring, evaluation and learning

#### Why do this now?

##### *The current landscape*

We place a strong emphasis on listening to and acting upon the voices of financially vulnerable women and the women's voluntary sector. These experiences have been captured through the following research:

The women's sector have told us through our COVID analysis and research into the cost of living crisis that there are key structural challenges to tackling gendered poverty and as a result of this we have launched a £2.1 million place-based fund to tackle the root causes of gendered poverty.

All of this work has successfully built on previous women's sector reports funded by Smallwood such as: The Female Face of Poverty and Life Saving, Life Changing: Funding for the Women's Sector.

##### *Shifting power*

Gendered poverty is largely explained by the unequal position of women in society which is exacerbated by caring status, ethnicity, health, age, sexuality, gender identity and disability. Therefore it is crucial that Smallwood supports social change through the lens of gender and economic inequality.

Our research also shows that women-led organisations are very aware of how local systems can make women's poverty worse, but they do not often have the time or capacity to push for change. With support from the GPLP we aim to increase organisational capacity so our grant partners can look toward their strategic goals alongside frontline work.

##### *Bringing it all together*

The idea for a GPLP has emerged following collaboration with our grant partners through a series of feedback sessions and our experience of funding and engaging with women-led organisations through two programmes; our place-based programme and community grant partnerships.

These programmes are central to making progress towards Smallwood's goal of ending gendered poverty. We believe there is a huge opportunity to strengthen, build and consolidate these dynamic networks through the Programme to provide a laser-eyed focus on challenging the root causes of gendered poverty.

#### What we will do next

At the time of writing, a steering group has been established to implement an initial project plan. In 2023 a Programme Manager will be recruited and we will begin to implement a number of first steps including establishing a community of practice for our grant partners and helping to link them into other networks.

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

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#### Objectives and activities (continued)

##### **6. To publish and share the EDI Action Plan, including the research into our historical wealth and investments.**

The EDI Action Plan and our progress against recommendations can be viewed on our website. During the year after further discussion with the EDI Sub-Committee and the Board we decided to undertake further research into our historical investments and we will now aim to publish the results of this in 2023.

Our work on EDI is central to the delivery of the 2022-2024 Strategic Plan which was agreed at the start of this year. The Plan has been developed to accelerate our ongoing mission to enable women to be financially resilient by tackling the root causes of gendered poverty as well as continuing to respond to immediate needs. Currently c.70% of our funding is targeted at immediate needs and c.30% at root causes / systemic work.

At the heart of this plan is a pro-active approach to equity, diversity and inclusion, where we have articulated the following key elements/activities as:

- Increasing available funding from our investments
- Trust-based funding
- Shifting power
- Developing an EDI Action Plan / "statement of intent"
- Working in partnership to deliver our mission

The following highlights progress that has been made taking into consideration the main activities above, and areas where there are still gaps or have been more difficult to implement.

The total operational funds (excluding staff time) that have been spent to date this year on specific EDI work including the audit, staff training and associated workshops with grant partners is around £35,000.

We have developed and implemented a **gender-lens grant-making framework** as part of the Strategic Plan – this takes an intersectional approach to our grant-making and includes outcome goals such as system transformation, supporting partners to take a gender-lens approach, flexible funding and supporting networks and communities to be more resilient.

**We are investing £2.1 million in place-based initiatives** (including Coventry, Birmingham, Manchester, Middlesbrough) with the intention of shifting power and challenging the (local) systems that keep women in poverty.

Two examples within the place-based programme where we are **shifting power** include:

Middlesbrough – in partnership with Turn2Us and Buttle UK we will be starting the co-design process with local communities for a local gendered poverty programme in January 2023. One key learning from this work is that we have had to build trust and create safe spaces over the past 4-6 months as a stepping stone before we even embark on any co-production process. This work is intensive and requires not only different ways of thinking but the allocation of quite significant non-grant resources.

**WoW - Women of Wythenshawe (Manchester)** – WoW's entire approach is 'bottom-up co-production'. In the first 6-12 months, women will engage in dialogues within their own familiar settings about the issues affecting them and other women in their community and will begin also to meet with women from other groups to share some of the issues they are facing and build relationships of trust with each other. At least one woman from each group will also be supported to attend and participate in WoW Steering Group meetings from month 1.

**Trustee's Report (continued)**  
**For the Year Ended 31 December 2022**

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**Objectives and activities (continued)**

By month 12, women will have been supported to draw out issues and only after this is when partners will be invited into the process - when women have identified their critical concerns and are ready to consult others who may know more about particular policy arenas and opportunities. This is not about rejecting professional expertise – it is about recognising and valuing different forms of expertise and bringing them into dialogue on a more equal platform once women have had the time and space to set their own agenda and priorities. WoV members will then be supported to go back out to the women in their own memberships, local areas, or service user communities to consult more widely on the issues under discussion, seeking their views and priorities and feeding these into the process.

The **Community grant partners** (CGPs) are a core element of delivering our strategy, currently c.30% of the overall grants budget is devolved to them where they have autonomy on awarding onwards grants to individuals and on how they allocate the contribution to their overhead/operating costs. We are due to re-fund existing community grant partners to a value of c.£2.4 million.

This year we launched an interim **Cost of Living Fund for individuals targeted at women who are most at risk of poverty** – this was based on evidence and research from the Women's Budget Group. This Fund has been particularly successful at targeting women with no recourse to public funds and disabled women.

A large number of processes have been either changed or streamlined to make them more inclusive, some recent ones include:

- We amended our grant-making to individuals' criteria so that women with no recourse to public funds were prioritised
- We auto-caption grant application webinars and provide signed webinars
- We accept grant applications in a language other than English
- We have increased the overall CGP annual maximum award and increased individual flexibility around the split of funding to grants and admin/overhead support (previously it was a blanket 80/20)
- We pay fees for 'lived expertise' when we have been organising workshops with grant partners

**c. Future strategy and direction**

***What are the next steps with grant-making and partnerships?***

Overall c.45% of beneficiaries are women from Black, Asian and minoritised communities, though not all of the services that are accessed by these women are led by Black, Asian and minoritised women.

Currently 30% of our funds are awarded to organisations led by Black, Asian and minoritised women. These organisations receive about 20% of the funding, so over the medium term we should ensure that we close this gap.

There are also some gaps in our funding for specific ethnicities which we will also continue to collect data on to understand and further target our funding.

Overall, c.20% of organisational beneficiaries are disabled women with 45% of individuals receiving grants through the Cost of Living Fund reporting they have a disability. However the percentage of our grant partners which are disability led is 4%.

This has increased slightly from 2%. We should note that disabled women-led organisations are likely to be more informal (for example with no written constitution) so we will need to take a different approach including reviewing existing criteria that may exclude these informal groups and also working with larger disability organisations that are not necessarily gender specific.

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

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#### Objectives and activities (continued)

In terms of age we are quite well-balanced across the portfolio. However only 1% of our partners are LGBTQ+ led though a higher percentage of LGBTQ+ individuals access Smallwood programmes.

One of the Audit recommendations is to develop a trans-inclusion policy and the first step is to commit to organisational learning on this in 2023.

We are currently working with the community grant partners to offer more flexibility around the overhead/operating and grant-making costs.

Through the TNLCF-funded Gendered Poverty Learning Programme (GPLP) there is huge potential to develop our approaches around what works in terms of shifting power and being more accountable to the communities we fund. The GPLP will be the umbrella for all learning and evaluation activities across all programmes but particularly for the place-based initiative and community grant partnerships.

We will feed any learning into the future development of our strategy and grant-making. Over the next two years this type of 'funder plus/relational' work will become increasingly important in the delivery of our strategy and shifting power. This work will be taken forward under the GPLP banner.

Including the voice of women with lived experience in our strategic development and decision-making has been an iterative process which has included surveys with individual grant recipients, workshops with organisations led by and for women with lived experience, the implementation of the Board shadowing programme and more latterly the co-design and co-production processes started through the place-based funds.

Through the Gendered Poverty Learning Programme we are looking at mechanisms (such as an operational steering group) to include women with lived experience in the strategic direction of this programme, including the staff post paid for by the TNLCF grant.

#### d. Grant-making policies

Individual women are eligible if they meet the following criteria:

✓	Is aged 18 or above
✓	Is living in the UK
✓	Is in receipt of all benefits entitled to, (including migrating onto Universal Credit) or has an income below the Minimum Income Standard threshold or has no recourse to public funds
✓	Has savings under £2,000 and debts under £10,000

## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

#### Objectives and activities (continued)

We have adopted the following framework for awarding grants to frontline organisations and policy initiatives:

Area for analysis	Assessment Criteria
Activities	<ul style="list-style-type: none"><li>✓ Does the organisation and its activities fall within our mission and the outcomes of the Fund?</li><li>✓ Are activities focused on women in greatest need?</li><li>✓ Can the organisation adapt and innovate?</li></ul>
Results	<ul style="list-style-type: none"><li>✓ Evidence of previous positive results and outcomes</li><li>✓ Quality of evidence</li></ul>
Leadership	<ul style="list-style-type: none"><li>✓ Is there a compelling vision and strategy?</li><li>✓ Can the CEO / management team articulate and deliver this?</li><li>✓ Is there good governance (including safeguarding) and direction by trustees?</li><li>✓ Are there clearly defined priorities?</li><li>✓ Are safeguarding and equalities policies in place?</li></ul>
People and resources	<ul style="list-style-type: none"><li>✓ Does the organisation have the appropriate staffing structure to deliver?</li><li>✓ Can the organisation identify gaps in capacity and/or service provision that the Fund can support?</li><li>✓ Are volunteers managed well?</li><li>✓ Does the charity make best use of its other resources such as IT, IP and any other assets?</li><li>✓ Is the charity successful in leveraging support and resources from external sources?</li></ul>
Finances	<ul style="list-style-type: none"><li>✓ Are there good processes for financial management?</li><li>✓ Are financial resources used efficiently?</li><li>✓ Is there an unqualified audit opinion?</li></ul>
Ambition	<ul style="list-style-type: none"><li>✓ Does the charity have the potential to sustain, grow and/or thrive?</li><li>✓ Does the charity have the potential to improve its impact?</li><li>✓ Does the charity have the potential to influence stakeholders and have a wider impact in its area of focus?</li></ul>

#### e. Fundraising activities and income generation

The Trust does not currently proactively fundraise from the public as it mainly relies on its investment income to fund its activities. During the year, the Trust secured additional funds from the Lottery and Sisters Trust to further its objectives and is expected to receive substantial funds from Barclays in 2023. All of these funds were and are to make onwards grants to organisations. The Trust has not yet voluntarily subscribed to any fundraising standards or scheme. However, as the trustee considers continuing to raise additional income in the future, we will consider signing up for an appropriate scheme.

From time to time the Trust is in receipt of legacies, and we undertake a modest amount of advertising aimed at increasing the level of legacies.

There were no complaints during the year.



Trustee's Report (continued)  
For the Year Ended 31 December 2022

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Objectives and activities (continued)

f. Investment policy and performance

The Trust holds assets for the generation of income in accordance with the Schemes. The trustee exercises the general power of investment conferred upon them by the Trustee Act 2000. They have delegated discretionary management of some of its assets to an investment manager in accordance with a Charity Commission Order of 19 December 1995.

The investment policy is to create sufficient income and capital growth to enable the Trust to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of, the invested funds.

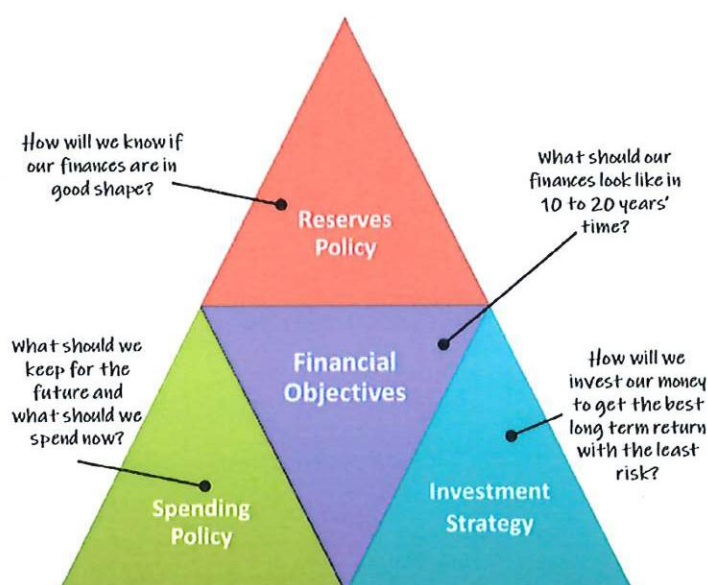
Financial review

a. Financial Review and Going concern

The financial objectives have been agreed as follows:

- Increase our impact and number of beneficiaries and build the Trust's capacity for monitoring and evaluation so that all grant expenditure leads to an increase in team learning on how to support women to become financially resilient
- Change the investment managers mandate to increase the income from the endowment over the lifetime of the strategic plan
- Manage the cash flow requirements of multi-year grants
- Use expendable endowment resources to support an increase in the grant-making

The trustee has adopted an interlocking financial framework proposed by Yoke and Co to support the financial objectives of the Trust. The Yoke and Co framework comprises the following:



## SMALLWOOD TRUST

### Trustee's Report (continued) For the Year Ended 31 December 2022

The results for the year are set out in detail on page 26. The Trust's income for the year was £1,260,117 (2021: £2,088,055). The income included restricted funds for grants of £182,329 from the Tampon Tax Fund, Lottery, and Sisters Trust.

Expenditure in this year was £3,062,746 (2021: £4,188,626). The expenditure includes substantial external grants and is in line with our strategy of increasing our grant expenditure compared to pre-pandemic levels and strengthening our monitoring and evaluation function. Fund balances at the year-end were £29,547,962 (2021: £35,284,193).

After making appropriate enquiries, the Trustee has 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.

#### b. Reserves policy

The reserves policy is as follows:

We wish to hold reserves to ensure the uninterrupted provision of financial assistance to women in poverty and grants to women's led service delivery and policy organisations, if adverse economic conditions arise or unexpected events materially affect the income from our endowment.

The Board also wish to support an increase in the grant-making over the short to medium term (three years) to help meet the need and demand and help more women out of poverty.

Therefore, the Board have agreed to create a 'Stabilisation Fund' of initially £5 million from the expendable endowment to allow the Trust to increase its grant expenditure and/or to cover any shortfall in investment income. The status of the Stabilisation Fund is reported to and reviewed by the Board on a quarterly basis on the following red/yellow/green basis:

<b>RED</b>	Over 50% of the fund is currently employed in supporting grant income in the coming 12 months
<b>YELLOW</b>	Between 25% and 50% of the fund is currently employed in supporting grant income in the coming 12 months
<b>GREEN</b>	Less than 25% of the fund is currently employed in supporting grant income in the coming 12 months

The total funds held were £29,547,962 (2021: £35,284,193) of which £29,035,533 (2021: £35,000,000) were endowed funds being the capital of the Trust and unrestricted funds of £358,862 (2021: £76,113) and £153,567 restricted funds (2021: £208,080). £1,905,361 (2021: £1,416,252) was transferred from the expendable endowment to unrestricted funds to support the Stabilisation Fund expenditure. The trustee expects to make similar transfers in the future as the Trust continues to maintain its increased grant expenditure over the next two years.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **c. Material investments policy**

Sufficient cash is held to cover working requirements and provide a readily accessible reserve. 21.1% (2021 - 18.2%) of all of the funds invested are with the Newton Multi-Asset Fund as part of our new investment mandate to increase the income from the endowment funds to support the Strategic Plan.

The remaining investment assets are managed on a discretionary basis in accordance with a Charity Commission Order of 19 December 1995 by Investec Wealth & Investment Limited ("Investec") and are separated into two discrete portfolios representing assets belonging to the Endowment Funds and the Unrestricted Fund respectively.

Performance of the Newton funds is measured on a total return basis (before management and other expenses) through capital and income return combined. The return on the fund for the full year was an increase of 0.8%.

Performance of the Investec Endowment Funds portfolio is measured on a total return basis (before management and other expenses) through capital and income return combined. The return on the portfolio for the year was an decrease of 18.2%.

The Unrestricted Fund portfolio comprises a mixture of cash and common investment funds and will be drawdown over the next few years as expenditure exceeds income. It is measured on a total return basis through capital and income return combined. The funds were fully expended in the year.

The Trust has no social investments or programme-related investments.

#### **d. Principal risks and uncertainties**

The directors of the sole Trustee company define Risk as the combination of the probability of an event and its consequences. In the Trust, as in all organisations, there is potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). While it is important to be able to positively manage all risks and their related uncertainties, the nature of our Charity has led to some risks being easier to manage than others. In our case the Operational, Compliance and Financial risks have both historically and are currently being well managed.

Our main area of focus and uncertainty in this regard is in ensuring that our grant making activity achieves the impact that it is contracted to do and that our Trustees and the management team develop and constantly learn about how to achieve the required impact of the grants made. The major risk to our Charity is a reputational one of failing to achieve that impact and not only not supporting our beneficiaries, but also reducing the likelihood of third party donors supporting the Charity.

#### **e. Financial risk management objectives and policies**

The trustee has identified the major risks to which the Trust is exposed and has established procedures to mitigate them and these are kept under review. The major risks that the trustee has identified and how they are mitigated are:

- Loss of future income streams from, and capital values of, investments - regular review meetings are held with the investment managers and adjustments to funds are made accordingly.
- Impact of general legislation and the external operating environment, GDPR and safeguarding - the Operations Manager is tasked with ensuring all relevant Smallwood policies are up to date.
- Breach of trust in the use of restricted or endowment funds – these are reviewed on a regular basis.
- Loss of key staff or trustees - staff development plans and a board development programme have been implemented and are continually reviewed.
- Funding not achieving desired outcomes - ensuring all grants awarded are aligned to our mission and impact strategy.

The Trust maintains a Strategic and Operational Risk Register, which incorporates procedures for mitigating risks, and this is reviewed formally by the trustee on an annual basis.

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Structure, governance and management**

##### **a. Constitution**

Smallwood Trust is a registered charity, number 205798, and is constituted under a Charity Commission Scheme. It is governed by Charity Commission Schemes of 2 November 1917, 9 November 1928, 29 October 2019 and the section 280 resolutions of the trustees dated 18 May 2017 and 1 November 2019.

In November 2019, Smallwood Trust (Trustee) Limited was appointed as the sole corporate trustee of the Trust, replacing the individual trustees, who were all appointed as the first directors of the company limited by guarantee.

The Trust was founded in 1886 and while making grants in Scotland and Northern Ireland, it does not carry out any other activities there and it is the trustee's opinion that the Trust is not currently required to register with the Office of the Scottish Charity Regulator in Scotland or the Charity Commission Northern Ireland. Trustees have resolved to keep this under review should the Trust's activities dramatically increase in these jurisdictions. The Trust was formerly known as the Society for the Assistance of Ladies in Reduced Circumstances until 18 May 2017.

##### **b. Methods of appointment or election of Trustee**

The management of the Charity is the responsibility of the Trustee who is elected and co-opted under the terms of the Charity Commission Scheme.

The first directors of Smallwood Trust (Trustee) Limited were the previous individual trustees of the Trust. Subsequently new Directors of the trustee company were appointed in December 2020 by the board of directors and will hold office for up to three years before retiring and being eligible for re-election for a further two terms of up to three years, after which they must retire for at least one year before being eligible again for reappointment.

Neither Smallwood Trust (Trustee) Limited or the Directors have any beneficial interest in the Trust.

##### **c. Organisational structure and decision-making policies**

The trustee governs the general policy of the Trust. The day-to-day business of the Trust is managed by the Chief Executive, supported by the team at the HQ in Malvern, Worcestershire and staff working from home in Blackburn, Bristol and Warwickshire.

The Trust has adopted a portfolio model of leadership, with individual Directors of the limited company retaining strategic oversight of the following functions:

- Finance
- Programmes, strategy and innovation
- Communications
- Constitutional and governance

During the year, the Futurology Working Group was convened to help develop proposals for the place-based fund which were approved by the Board. The EDI Group, made up of trustees and staff, was also convened to drive forward recommendations from the EDI Audit.

Roles and responsibilities have been agreed for the Chair, Deputy Chair, Directors, Portfolio leads and the sub-committees.

The patron, trustee, directors of the trustee company, principal officers, principal addresses and professional advisors of the Trust are listed on the Legal and Administrative Information page.



## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Structure, governance and management (continued)**

The Trust was deeply saddened to hear of the passing of Her Majesty the Queen. The Queen had been our Patron since 1952 and has devoted a great deal of her life to helping those in need. At the time of writing we have been informed that the Royal Household will be conducting a review of Royal Patronages and we will be informed in due time.

#### **d. Policies adopted for the induction and training of Trustee**

New Directors of Smallwood Trust (Trustee) Limited (the Charity's sole Trustee) are provided with information about the Trust and its work, the role and responsibilities of trustees, company directors and the composition and workings of the board. They are given copies of the Trust's and the trustee company's governing documents and minutes of previous meetings, and offered any training that may be considered necessary. All Directors have the opportunity to attend seminars, and conferences and participate in board development activities.

#### **e. Pay policy for key management personnel**

Salaries are reviewed annually at the absolute discretion of the Trustee. In addition, an amount equivalent to 10% of gross salary is paid into a defined contribution Group Personal Pension Plan for each member of staff.

#### **f. Related party relationships**

There is no special relationship with any other charity.

#### **Plans for future periods**

The objectives for 2023 are as follows:

1. To re-fund and expand the community grant partnerships programme based on the learning from our partners.
2. To disseminate the learning from the Gendered Poverty Learning Programme and use this to adapt our grant programmes and engage with other stakeholders who are also working to improve social and economic outcomes for women.
3. To work with external partners to provide a response to the cost of living crisis as well as continuing to fund programmes and develop opportunities that tackle the root causes of gendered poverty.
4. To implement a co-designed pilot grants programme with partners Turn2Us, Buttle UK and local women in Middlesbrough.
5. To develop and implement a People Strategy and Plan to support our organisational development and ambitions to shift power, become more accountable and ensure that equity, diversity and inclusion remains a core part of our strategy.
6. To evaluate the 2nd year of the Board Shadowing Programme and feed this learning into year 3 of the programme

## **SMALLWOOD TRUST**

### **Trustee's Report (continued) For the Year Ended 31 December 2022**

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#### **Statement of Trustee's responsibilities**

The Directors of Smallwood Trust (Trustee) Limited are responsible for preparing the Trustee's 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 Trustee 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 Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements 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 Trustee is responsible for keeping adequate 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 Charity Commission Scheme. The Trustee is 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.

#### **Disclosure of information to auditor**

Each of the persons who are Directors of Smallwood Trust (Trustee) Limited ("the Trustee") at the time when this Trustee's Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### **Auditor**

The auditor, Dains Audit Limited, has indicated his willingness to continue in office. The designated Trustee will propose a motion reappointing the auditor at a meeting of the Directors of Smallwood Trust (Trustee) Limited ("the Trustee").

Approved by order of the members of the board of Trustee on 18 July 2023 and signed on their behalf by:

  
\_\_\_\_\_  
**D'Arcy Myers (Chair)**  
for and on behalf of Smallwood Trust (Trustee) Limited

## **SMALLWOOD TRUST**

### **Independent Auditor's Report to the Members of Smallwood Trust**

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#### **Opinion**

We have audited the financial statements of Smallwood Trust (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) 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.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Charities Act 2011.

#### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustee's 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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

## **SMALLWOOD TRUST**

### **Independent Auditor's Report to the Members of Smallwood Trust (continued)**

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#### **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 Trustee 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.

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of the Trustee**

As explained more fully in the Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity'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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.



## **SMALLWOOD TRUST**

### **Independent Auditor's Report to the Members of Smallwood Trust (continued)**

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#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with directors' of the Charity's sole Trustee and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the financial reporting legislation, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

## SMALLWOOD TRUST

### Independent Auditor's Report to the Members of Smallwood Trust (continued)

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#### Auditors' responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

#### Other matters

The financial statements of the Charity for the year ended 31 December 2021 were audited by Haysmacintyre LLP, who expressed an unmodified opinion on those financial statements. An unqualified audit report was issued and signed on 27 October 2022.

#### Use of our report

This report is made solely to the charity's Trustee, 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 Trustee 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 its trustee, for our audit work, for this report, or for the opinions we have formed.



**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

18 July 2023

Dains Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# SMALLWOOD TRUST

## Statement of financial activities For the Year Ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	4	138,441	182,329	-	320,770	1,124,388
Investments	5	939,347	-	-	939,347	963,667
<b>Total income and endowments</b>		<b>1,077,788</b>	<b>182,329</b>	<b>-</b>	<b>1,260,117</b>	<b>2,088,055</b>
<b>Expenditure on:</b>						
Raising funds	6	-	-	125,504	125,504	109,459
Charitable activities	8	2,700,400	236,842	-	2,937,242	4,079,167
<b>Total expenditure</b>		<b>2,700,400</b>	<b>236,842</b>	<b>125,504</b>	<b>3,062,746</b>	<b>4,188,626</b>
<b>Net expenditure before net (losses)/gains on investments</b>		<b>(1,622,612)</b>	<b>(54,513)</b>	<b>(125,504)</b>	<b>(1,802,629)</b>	<b>(2,100,571)</b>
Net (losses)/gains on investments		-	-	(3,933,602)	(3,933,602)	2,901,606
<b>Net (expenditure)/income</b>		<b>(1,622,612)</b>	<b>(54,513)</b>	<b>(4,059,106)</b>	<b>(5,736,231)</b>	<b>801,035</b>
Transfers between funds	18	1,905,361	-	(1,905,361)	-	-
<b>Net movement in funds</b>		<b>282,749</b>	<b>(54,513)</b>	<b>(5,964,467)</b>	<b>(5,736,231)</b>	<b>801,035</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		76,113	208,080	35,000,000	35,284,193	34,483,158
Net movement in funds	18	282,749	(54,513)	(5,964,467)	(5,736,231)	801,035
<b>Total funds carried forward</b>		<b>358,862</b>	<b>153,567</b>	<b>29,035,533</b>	<b>29,547,962</b>	<b>35,284,193</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 49 form part of these financial statements.

**SMALLWOOD TRUST**

Registered number:

**Balance Sheet**

As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	-	900
Tangible assets	14	4,974	6,106
Investments	15	29,058,683	35,132,206
		<u>29,063,657</u>	<u>35,139,212</u>
<b>Current assets</b>			
Debtors	16	101,926	347,483
Cash at bank and in hand		1,116,410	877,115
		<u>1,218,336</u>	<u>1,224,598</u>
Creditors: amounts falling due within one year	17	(734,031)	(1,079,617)
<b>Net current assets</b>		<u>484,305</u>	<u>144,981</u>
<b>Total net assets</b>		<u><u>29,547,962</u></u>	<u><u>35,284,193</u></u>
<b>Charity funds</b>			
Endowment funds	18	29,035,533	35,000,000
Restricted funds	18	153,567	208,080
Unrestricted funds	18	358,862	76,113
<b>Total funds</b>		<u><u>29,547,962</u></u>	<u><u>35,284,193</u></u>

The financial statements were approved and authorised for issue by the Trustee on 18 July 2023 and signed on their behalf by:

  
 D'Arcy Myers (Chair)  
 Smallwood Trust (Trustee) Limited

The notes on pages 28 to 49 form part of these financial statements.

## SMALLWOOD TRUST

### Statement of Cash Flows For the Year Ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(2,894,794)	(2,835,910)
<b>Cash flows from Investing activities</b>			
Dividends and interest from investments		939,947	944,451
Purchase of tangible fixed assets		(2,150)	(142)
Proceeds from sale of investments		6,648,567	6,652,265
Purchase of investments		(4,048,392)	(5,813,678)
<b>Net cash provided by investing activities</b>		<b>3,537,972</b>	<b>1,782,896</b>
<b>Change in cash and cash equivalents in the year</b>		<b>643,178</b>	<b>(1,053,014)</b>
Cash and cash equivalents at the beginning of the year		1,633,163	2,686,177
<b>Cash and cash equivalents at the end of the year</b>	22	<b>2,276,341</b>	<b>1,633,163</b>

The notes on pages 28 to 49 form part of these financial statements

## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **1. General information**

Smallwood Trust is a unincorporated charity registered with the Charity Commission in England and Wales. The registered number and address is given on the Reference and Administrative Details page. The activities of the Charity are set out in detail in the Trustees' report.

#### **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) (effective 1 January 2019), 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.

Smallwood 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 the Charity's functional currency of GBP (Sterling). They are prepared to the nearest £.

##### **2.2 Going concern**

The financial statements have been prepared on a going concern basis. The Trust holds liquid funds sufficient to support its cash flow requirements over the foreseeable future under all scenarios. Therefore, the directors of the sole Trustee company consider there are no material uncertainties about the Trust's ability 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **2. Accounting policies (continued)**

##### **2.3 Income (continued)**

Cash donations are recognised on receipt. Other 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.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

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

##### **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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

The fees due in respect of the investment manager's services are charged against income as the cost of raising funds.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.6 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Database software	- 50 % straight-line
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##### 2.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The Trustee is of the opinion that the residual value at the end of the estimated useful economic life of the freehold buildings is not likely to materially differ from its cost. This is because it is the Trust's policy to maintain the freehold buildings in such a condition that their value is not diminished by the passage of time; the relevant expenditure is charged against income in the financial period in which it is incurred. Therefore, any element of depreciation is considered to be immaterial and no provision is made.

Depreciation is provided on the following bases:

Freehold property	- 0% straight-line on basis of immateriality
Fixtures and fittings	- 25% straight-line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.



## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **2. Accounting policies (continued)**

##### **2.8 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.

##### **2.9 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.

##### **2.10 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.

##### **2.11 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

##### **2.12 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### **2.13 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **2. Accounting policies (continued)**

##### **2.14 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The permanent endowment fund represents the permanent capital of the Trust, and cannot be spent as if it were income. Income arising on this fund can be used in accordance with the charitable objects of the Trust and as such is included in unrestricted funds. Charges incurred in the management of this fund, including investment management fees relating to those investments by which it is represented, are charged to it.

The Trustee has power of discretion to convert the expendable endowment fund into income. Whilst it remains the general policy of the Trustee to retain and stabilise the capital of this fund to generate income; significant conversions have taken place post-pandemic as approved by the Board to accommodate a continuation of increased grant-spending. Income arising on this fund can be used in accordance with the charitable objects of the Trust and is included in unrestricted funds.

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

#### **3. Critical accounting estimates and areas of judgement**

In the application of the Charity's accounting policies, the Directors of Smallwood Trust (Trustee) Limited (Trustee) are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

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.

Critical accounting estimates and assumptions:

In the view of the Directors of Smallwood Trust (Trustee) Limited (Trustee) in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations and gifts	27,275	369	27,644
Legacies	111,166	-	111,166
Grants	-	181,960	181,960
	<u>138,441</u>	<u>182,329</u>	<u>320,770</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and gifts	-	284,400	284,400
Legacies	14,773	-	14,773
Grants	-	825,215	825,215
	<u>14,773</u>	<u>1,109,615</u>	<u>1,124,388</u>

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Income from listed investments	939,163	939,163
Interest receivable	184	184
	<u>939,347</u>	<u>939,347</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Income from listed investments	963,655	963,655
Interest receivable	12	12
	<u>963,667</u>	<u>963,667</u>

#### 6. Expenditure on raising funds

	Endowment funds 2022 £	Total funds 2022 £
Investment managers fees	125,504	125,504

	Endowment funds 2021 £	Total funds 2021 £
Investment managers fees	109,459	109,459

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 7. Analysis of grants

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £
Assistance of women in financial need	1,740,384	562,525	2,302,909

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £
Assistance of women in financial need	2,809,992	657,474	3,467,466

### 8. Analysis of expenditure on charitable activities

#### Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Assistance of women in financial need	2,700,400	236,842	2,937,242

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Assistance of women in financial need	2,989,666	1,089,501	4,079,167

**SMALLWOOD TRUST****Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Grant funding of activities 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Assistance of women in financial need	<u>278,265</u>	<u>2,302,909</u>	<u>356,068</u>	<u>2,937,242</u>

	<b>Activities undertaken directly 2021 £</b>	<b>Grant funding of activities 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Assistance of women in financial need	<u>238,201</u>	<u>3,467,466</u>	<u>373,500</u>	<u>4,079,167</u>

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 9. Analysis of expenditure by activities (continued)

##### Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	251,340	200,117
Depreciation	4,182	10,062
Training and development	22,743	-
Project costs	-	28,022
	<u>278,265</u>	<u>238,201</u>

##### Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	150,130	124,000
Monitoring and evaluation	8,501	61,573
Office costs	61,833	58,080
Marketing	31,875	31,560
Legal and audit costs	2,900	9,629
Consultancy	77,165	76,142
Trustee expenses	883	996
Governance costs	22,781	11,520
	<u>356,068</u>	<u>373,500</u>

The basis of allocation for support costs to activities was as follows:

Staff costs, monitoring and evaluation and office costs are all allocated based on staff time.

Office costs, marketing and legal and audit costs and consultancy costs are all allocated based on the purpose of the expenditure.

Trustee expenses are allocated on the grounds of governance.

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>11,500</u>	<u>11,520</u>

#### 11. Staff costs

	2022 £	2021 £
Wages and salaries	338,924	272,294
Social security costs	30,519	23,169
Contribution to defined contribution pension schemes	32,027	28,654
	<u>401,470</u>	<u>324,117</u>

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Administration	<u>10</u>	<u>9</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1

Amounts paid to key management personnel in the year for their services to the charity amounted to £84,166 (2021: £80,458).

#### 12. Trustee's remuneration and expenses

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

During the year ended 31 December 2022, expenses totalling £883 were reimbursed or paid directly to 5 directors of the sole Trustee company (2021: £996 to 2 directors). The reimbursed expenses related to travel, childcare and accommodation in order to enable the directors to attend board meetings and fulfil their duties.



## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 13. Intangible assets

	Database software £
<b>Cost</b>	
At 1 January 2022	21,600
At 31 December 2022	<u>21,600</u>
<b>Amortisation</b>	
At 1 January 2022	20,700
Charge for the year	900
At 31 December 2022	<u>21,600</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>-</u></u>
At 31 December 2021	<u><u>900</u></u>

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 14. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2022	657	40,639	41,296
Additions	-	2,150	2,150
At 31 December 2022	657	42,789	43,446
<b>Depreciation</b>			
At 1 January 2022	-	35,190	35,190
Charge for the year	-	3,282	3,282
At 31 December 2022	-	38,472	38,472
<b>Net book value</b>			
At 31 December 2022	657	4,317	4,974
At 31 December 2021	657	5,449	6,106

The freehold property is Lancaster House, 25 Hornyold Road, Malvern, which has been estimated by the directors of the sole Trustee company to have a market value of £400,000 (2021 - £400,000) on an open market value for existing use basis.

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 15. Fixed asset investments

	Listed Investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	34,376,158	756,048	35,132,206
Additions	4,048,392	(4,048,392)	-
Disposals	(7,929,612)	6,648,667	(1,281,045)
Revaluations	(2,596,185)	-	(2,596,185)
Income net of fees	-	503,707	503,707
Amounts transferred for grant making purpose	-	(2,700,000)	(2,700,000)
At 31 December 2022	<u>27,898,753</u>	<u>1,159,930</u>	<u>29,058,683</u>

### Investments at fair value comprise:

	2022 £	2021 £
Equities	25,306,859	31,279,666
Fixed interest securities	2,591,893	3,096,492
Cash held within investment portfolio	1,159,931	756,048
	<u>29,058,683</u>	<u>35,132,206</u>

### 16. Debtors

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Other debtors	369	323,546
Prepayments and accrued income	101,557	23,937
	<u>101,926</u>	<u>347,483</u>

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,673	22,397
Other taxation and social security	8,240	-
Other creditors	2,969	-
Accruals and deferred income	40,557	18,648
Grants awarded not yet paid	671,592	1,038,572
	<u>734,031</u>	<u>1,079,617</u>

Grants payable of £671,592 (2021 - £1,038,572) represent those grants formally communicated to grant recipients (individuals and institutions) at the year end but not yet paid. The grants payable brought forward figure of £1,038,572 was fully paid in the year.

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 18. Statement of funds

#### Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
General Funds	76,113	1,077,788	(2,700,400)	1,905,361	-	358,862
<b>Endowment funds</b>						
Permanent endowment fund	25,106,161	-	-	-	(2,622,401)	22,483,760
Expendable endowment fund	9,893,839	-	(125,504)	(1,905,361)	(1,311,201)	6,551,773
	<u>35,000,000</u>	<u>-</u>	<u>(125,504)</u>	<u>(1,905,361)</u>	<u>(3,933,602)</u>	<u>29,035,533</u>
<b>Restricted funds</b>						
Tampon tax fund	88,080	9,800	(97,880)	-	-	-
Barclays	100,000	-	(100,000)	-	-	-
DCMS	-	-	-	-	-	-
The National Lottery Community Fund - Partnerships England Wide	-	72,160	(5,530)	-	-	66,630
Joint evaluation	20,000	369	(20,369)	-	-	-
Sisters trust	-	100,000	(13,063)	-	-	86,937
	<u>208,080</u>	<u>182,329</u>	<u>(236,842)</u>	<u>-</u>	<u>-</u>	<u>153,567</u>
<b>Total of funds</b>	<u>35,284,193</u>	<u>1,260,117</u>	<u>(3,062,746)</u>	<u>-</u>	<u>(3,933,602)</u>	<u>29,547,962</u>

## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **18. Statement of funds (continued)**

##### **Purpose of funds**

##### **Endowment funds**

The permanent endowment fund has arisen from the initial capital on the establishment of the Trust as a registered charity, to which it has been added to further on the capital absorption of other charities. These funds must be held permanently and may not be spent as if it were income. The fund may be utilised to further the charity's purposes through generating an income from the investments held.

The expendable endowment fund relates to the retention of legacies where this has been the explicit or implied wish of the legator. These funds must be invested to produce income at the discretion of the directors of the sole Trustee company and the Trustee has legal power to convert the funds into a income fund to be spent for the purposes of the charity within a reasonable timeframe.

Both endowment funds comprise of the investments (including cash held in investment portfolios) of the Trust.

##### **Restricted funds**

The Tampon Tax Fund - is a grant from HM Government to enable the charity to fund women's employability projects.

The Barclays fund represents a contribution by them through the Women's Resilience Fund to deliver financial resources, materials, employment, training, financial education and stability.

The DCMS fund represents funding from the Department for Digital, Culture, Media and Sport (DCMS) to support women with multiple, interlocking disadvantages brought about by the Covid-19 pandemic such as poor mental and physical health, financial insecurity and abusive relationships. This was delivered through the charity's DCMS community match challenge partnership.

The National Lottery Community Fund (Partnerships England Wide) represents funding awarded from the National Lottery to support the gendered poverty learning programme, which seeks to benefit up to 7,000 women involved in programmes that tackle the root causes of gendered poverty along with 50-70 women's organisations and other stakeholders such as local authorities who benefit from the learning activity.

The Joint Evaluation fund represents funding received as part of the Women's Sector Resilience Fund (Phase I and Phase II) to accommodate monitoring, evaluation and learning. This includes working together with networks to help develop measures of success that fit in with the charity's Theory of Change, including the capture of equality, diversity and inclusion data.

The Sisters Trust fund represents funding received to support the charity's Women's Sector Support Fund, which aims to protect essential services for women most impacted by poverty and the cost-of-living crisis that is disproportionately affecting women and the organisations supporting them.

##### **Transfers**

The transfer of £1,905,361 (2021 - £1,416,252) between the expendable endowment fund and general funds represents the charity's commitment to support the 'Stabilisation Fund' and cover expenditure. This is part of the Board's decision to support an increase in the grant-making over the short to medium term (three years) to help meet the need and demand and help more women out of poverty. This Stabilisation Fund was created to enable the Trust to increase its grant expenditure and/or to cover any shortfall in investment income.

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 18. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>						
General Funds	671,087	978,440	(2,989,666)	1,416,252	-	76,113
<b>Endowment funds</b>						
Permanent endowment fund	23,171,757	-	-	-	1,934,404	25,106,161
Expendable endowment fund	10,452,348	-	(109,459)	(1,416,252)	967,202	9,893,839
	<u>33,624,105</u>	<u>-</u>	<u>(109,459)</u>	<u>(1,416,252)</u>	<u>2,901,606</u>	<u>35,000,000</u>
<b>Restricted funds</b>						
Tampon tax fund	-	825,215	(737,135)	-	-	88,080
Barclays	82,229	264,400	(246,629)	-	-	100,000
DCMS	94,708	-	(94,708)	-	-	-
Lottery	11,029	-	(11,029)	-	-	-
Joint evaluation	-	20,000	-	-	-	20,000
Sisters trust	-	-	-	-	-	-
	<u>187,966</u>	<u>1,109,615</u>	<u>(1,089,501)</u>	<u>-</u>	<u>-</u>	<u>208,080</u>
<b>Total of funds</b>	<u>34,483,158</u>	<u>2,088,055</u>	<u>(4,188,626)</u>	<u>-</u>	<u>2,901,606</u>	<u>35,284,193</u>

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 19. Summary of funds

#### Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	76,113	1,077,788	(2,700,400)	1,905,361	-	358,862
Endowment funds	35,000,000	-	(125,504)	(1,905,361)	(3,933,602)	29,035,533
Restricted funds	208,080	182,329	(236,842)	-	-	153,567
	<u>35,284,193</u>	<u>1,260,117</u>	<u>(3,062,746)</u>	<u>-</u>	<u>(3,933,602)</u>	<u>29,547,962</u>

#### Summary of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	671,087	978,440	(2,989,666)	1,416,252	-	76,113
Endowment funds	33,624,105	-	(109,459)	(1,416,252)	2,901,606	35,000,000
Restricted funds	187,966	1,109,615	(1,089,501)	-	-	208,080
	<u>34,483,158</u>	<u>2,088,055</u>	<u>(4,188,626)</u>	<u>-</u>	<u>2,901,606</u>	<u>35,284,193</u>



## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 20. Analysis of net assets between funds

##### Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	4,974	-	-	4,974
Fixed asset investments	-	-	29,058,683	29,058,683
Current assets	1,064,769	153,567	-	1,218,336
Creditors due within one year	(710,881)	-	(23,150)	(734,031)
<b>Total</b>	<b>358,862</b>	<b>153,567</b>	<b>29,035,533</b>	<b>29,547,962</b>

##### Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	6,106	-	-	6,106
Intangible fixed assets	900	-	-	900
Fixed asset investments	-	-	35,132,206	35,132,206
Current assets	1,016,518	208,080	-	1,224,598
Creditors due within one year	(947,411)	-	(132,206)	(1,079,617)
<b>Total</b>	<b>76,113</b>	<b>208,080</b>	<b>35,000,000</b>	<b>35,284,193</b>

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 21. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(5,736,231)	801,035
<b>Adjustments for:</b>		
Depreciation charges	3,282	3,312
Amortisation charges	900	6,750
Fair value gains/(losses) on investments	3,877,231	(2,901,606)
Dividends, interests and rents from investments	(939,947)	(963,667)
Decrease in debtors	245,557	425,540
Decrease in creditors	(345,586)	(207,274)
<b>Net cash used in operating activities</b>	<b>(2,894,794)</b>	<b>(2,835,910)</b>

### 22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	1,116,410	877,115
Cash held by investment managers	1,159,931	756,048
<b>Total cash and cash equivalents</b>	<b>2,276,341</b>	<b>1,633,163</b>

### 23. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	877,115	239,295	1,116,410
	<b>877,115</b>	<b>239,295</b>	<b>1,116,410</b>

## **SMALLWOOD TRUST**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **24. Grant commitments**

At the balance sheet date, the Trust had committed to making grants of £2,449,500 as part of its Community grant partnerships (CGP) programme, which provides individual grants alongside the organisation's support services. The grant commitment consists of a number of grants that either run over a three year period or provide additional funding to existing grants made to partners. Where the grant commitment runs over several years, the balance of the commitment outstanding at each year end will be subject to annual performance reviews and periodic milestone reviews, in order to establish if the next tranche of grant funding is released in accordance with the grant agreement. The total commitment will be funded through the Trust's Stabilisation Fund, representing cash transferred from the Trust's investment portfolio for grant making purposes.

#### **25. Pension commitments**

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. For some employees, the Trust pays the employer's pension contributions directly to the employees' personal pension scheme. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £32,027 (2021 - £28,654). Contributions of £2,969 (2021 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

#### **26. Related party transactions**

During the year the Trust incurred costs of £900 in respect of membership fees payable to The Association of Charitable Organisations (ACO) from ACO, which has one Director in common with the Trust. At the reporting date, a balance of £Nil was outstanding to ACO.

Disclosures in relation to key management personnel are included in note 11.

#### **27. Distribution from Grove Hill Trust**

In 2017 income of £288,318 was accrued from the Grove Hill Trust, based in Jersey. This followed negotiations with the Trustee of the Grove Hill Trust and after Smallwood Trust Trustees signed a deed of indemnity as a condition of receiving the distribution. Given the clauses negotiated in the indemnity the Trustees current view is that it is not probable that the funds will have to be returned. The Trustees resolved to review the situation on a regular basis.

#### **28. Controlling party**

The ultimate controlling party is the directors of the sole Trustee company, Smallwood Trust (Trustee) Limited.

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

### Grants made to Institutions

	2022	2021
	£	£
4 Wings	5,000	43,000
4 Wings Northwest CIC	-	18,524
A Way Out	7,000	5,000
Account3	-	48,750
Agenda Alliance	6,000	44,331
Alice Charity	7,000	22,300
Anawim	-	33,787
ARCH	-	33,477
AWO	-	25,000
Baobab Women's Project C.I.C.	-	18,750
Birmingham & Solihull Women's Aid	483,142	32,492
Blackburne	-	25,000
Cavell Nurse's Trust	7,000	25,000
Chinese Women in Peterborough	-	18,750
CoLab Exeter	7,000	37,652
Community Led Action and Savings Support	-	18,750
Crossroads Derbyshire Ltd	-	8,425
Deaf Ethnic Women's Association	-	18,750
Derry Well Women	-	25,259
Edith Cavell Nurses	-	12,500
Empower Women for Change	-	18,750
Exeter CoLab	-	25,000
Fair Treatment for the Women of Wales (FTWW)	-	18,750
Falls Women's Centre	-	25,828
Fawcett Society	50,115	47,649
Foleshill Womens Training Ltd	-	60,000
Fourth Action	-	15,344
FWT Foleshill Women's Training Centre (Coventry Women's Partnership)	10,000	211,080
Gingerbread	7,000	45,000
Glasspool Charity Trust	-	50,000
Halo Project	4,000	33,400
Happy Baby Community (HBC)	-	49,662
Hayaat Woment Trust	-	18,675
Hull Sisters	19,780	11,029
InSpire	86,000	55,000
Inspire Walworth	-	20,000
Kairos WWT	-	50,000
Kanlungan Filipino Consortium	17,780	49,270
Kundakala	15,664	-
Laamiga	-	18,347
Lancashire Women	7,000	67,238
Lesbian Immigration Support Group	-	15,917
LoveWell UK	-	18,750
Carried forward	739,481	1,440,186

# SMALLWOOD TRUST

## Notes to the Financial Statements For the Year Ended 31 December 2022

	2022 £	2021 £
Brought forward	739,481	1,440,186
My Sisters Place	6,500	33,000
New Economics Foundation	-	39,908
NILS	-	15,000
PACT	7,000	20,500
Pathway Project	-	32,500
Platform Thirty1	-	23,413
Pendle Women's Forum	-	18,698
Positive Changes (Scotland) CIC	-	17,932
Rainbow Muslim Women's Centre	-	16,750
Renasai	60,000	-
Saheli	-	8,425
Samee	7,000	35,000
Sandwell African Women's Association	16,780	15,000
Savera UK	7,000	43,000
Shakti Women's Aid	-	50,000
Shama Women's Centre	-	48,427
Sophie Hayes Foundation	-	25,000
Staffordshire Pathway Project	7,000	-
Staffordshire Women's Aid	5,000	34,000
Support costs for Applicants	9,593	-
Surviving Economic Abuse	75,000	98,935
Tees Valley Inclusion Project encompassing The Halo Project Charity	-	47,125
Tenbury NILS	7,000	8,500
The Children's Society	-	33,333
The Glendale Women's Café	-	18,750
Timewise	-	30,850
Together Women	8,000	63,750
TTF - Women's Budget Group	-	3,570
TWO	-	43,000
Ubuntu Women's Shelter	-	16,406
Venus	5,000	80,000
Voice of Domestic Workers	-	18,326
Women Connect First	-	48,052
Women Today CIC	-	17,240
Women Today North East	19,780	-
Women's Budget Group	56,250	40,000
Women's Health in South Tyneside	-	48,550
Women's Resource Centre	105,000	35,784
Women's Technology Training Limited	7,000	7,500
WOMEN'STEC	-	38,022
Womenzone Community Centre	-	8,426
Wythenshawe Community Housing Group	500,000	-
YSS	88,000	85,023
Carried forward	1,736,384	2,707,881

## SMALLWOOD TRUST

### Notes to the Financial Statements For the Year Ended 31 December 2022

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	2022	2021
	£	£
Brought forward	1,736,384	2,707,881
YWCA Scotland	-	36,331
Zinhiya Trust	4,000	65,780
<b>Total</b>	<b>1,740,384</b>	<b>2,809,992</b>

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