
SIR HALLEY STEWART TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SIR HALLEY STEWART TRUST

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SIR HALLEY STEWART TRUST

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

Trustees	Mrs Theresa Bartlett BSc (Hons), (Chair) Ms Celia Atherton BA (Hons), CQSW, OBE Dr James Bunn MBBS, MSc, DTM&H, MRCP, FRCPCH Mrs Louisa Elder MA Cantab, (Vice Chair) Ms Vivienne Evans OBE (appointed 25 February 2021) Ms Kate Garbers (appointed 25 February 2021) Prof Jane Gilliard BA, CQSW Mr Andrew Graystone BA, PGCE, MA Mr Paul Harrod MA Oxon (resigned 25 June 2020) Mrs Amy Holcroft BA (Hons), Dip.Law (CPE), Dip.Law (LPC), CIPP/E Dr Mzwandile A Mabhala MFPH, FRSPH, FRSM (appointed 25 February 2021) Mr Hugh Richardson (appointed 8 October 2020) Dr Duncan Stewart MB, BS, D.Obst, RCOG, (President) Mr Andrew Wauchope BA, FCISI, (Honorary Treasurer from 25 June 2020) Prof Philip Whitfield BA, MA, PhD Prof Gordon K Wilcock DM Oxon, FRCP Revd Prof David Wilkinson BSc, PhD, MA, PhD, FRAS Mrs Joanna M. Womack MA, (Honorary Treasurer and Trustee) (resigned 25 June 2020) Prof John Wyatt FRCP, FRCPCH
Charity registered number	208491
Principal office	BM Sir Halley Stewart Trust London WC1N 3XX
Management	Ms Vicky Chant BA (Hons) (Director)
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA

SIR HALLEY STEWART TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Bankers

Barclays Bank
1 Church Street
Peterborough
PE1 1XE

CAF Bank Limited
25 Kings Hill Avenue
King Hill
West Malling
Kent
ME19 4JQ

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The impact of the Covid-19 pandemic has been felt all over the world, and the Sir Halley Stewart Trust (the Trust) is no exception. I want to begin this year's report by commending our Grantees for their work during this challenging time. The commitment, creativity and resilience they have shown has been nothing short of extraordinary. We continue to be humbled and full of admiration for their excellent work in the face of extremely difficult circumstances, including many of our Medical Grantees who have deferred their projects to help with frontline medical support during the pandemic.

We were pleased to be able to provide additional support during the year for our Grantees where necessary, due to the impact of Covid-19 on their projects. We did so in a number of ways, from establishing a specific Covid-19 Emergency Support Grants programme, to approving no-cost extensions and awarding ad hoc extra funds if appropriate. We have also funded projects that were developed in direct response to the pandemic, which are detailed in my colleagues' reports overleaf.

The Trust's operations have continued throughout the year, with our Board and Sub-Committees meeting remotely to conduct their valuable work for the Trust. As with all organisations during the various lockdowns, this has presented challenges to the way that we normally do things, but it has also presented some positive opportunities. For example, our Board members are quite spread out across the UK and one of our Medical Trustees is currently based in Sierra Leone, so working together via videoconference has actually been somewhat easier than scheduling our usual face-to-face meetings.

We are fortunate that the Trust was able to continue our grant-making at the usual level during 2020/21, with over £1million awarded in total during the year. This is in no small part thanks to the dedication and expertise of our Finance Sub-Committee and investment managers CCLA. We are very grateful for their wise counsel, particularly during these difficult times. Whilst we were assessing the potential impact of the pandemic on the Trust's finances and operations, we delayed our usual June grant award cycle and instead held a double funding round in October, as well as our usual grant round in February. My colleagues from the Medical, Religious and Social Sub-Committees report overleaf on the funding provided to projects in their specific grant categories over the course of the year.

Whilst operating remotely, the Trust also embarked on a period of Trustee recruitment following the retirement of our former Hon. Treasurer and one of our Social Trustees. Following an open recruitment process, we were very pleased to appoint four new Trustees to our Board during the year - Viv Evans, Kate Garbers and Andi Mabhala to our Social Sub-Committee and Hugh Richardson to our Finance Sub-Committee. Three of our new appointees already know the Trust well as they are former Grantees themselves. We were also delighted to appoint one of our existing Trustees, Andrew Wauchope, as our new Hon. Treasurer. All of our new appointees bring a wealth of experience and expertise that will help us to further the Trust's mission and we are delighted to have them on board.

During the year we also appointed a second member of staff to join our Director, Vicky Chant, in running the Trust's operations. Lorraine Faires joined the Trust as our new Grants Manager shortly after the end of the financial year, and we all very much look forward to working with her. The Trust Partnership will continue to work with us to provide infrastructure support.

SIR HALLEY STEWART TRUST

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

I would like to conclude by conveying my sincere thanks to the Trust's Board members, staff and consultants for everything they have done for the Trust over the course of this extraordinary year. Everyone has gone the extra mile for the Trust, and in particular demonstrated great flexibility and patience as we adapted to new technologies and ways of working. It is through everyone's collective hard work that the Trust has been able to continue providing much needed funding to projects aimed at the prevention of human suffering – many of which are more crucial now than ever. We look forward to supporting them together with new innovations over the coming year, and very much hope for conditions to have improved worldwide by the time we produce next year's report.

Theresa Bartlett

Mrs Theresa Bartlett

Chair

Date:

10th November 2021.

SIR HALLEY STEWART TRUST

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

A BRIEF SUMMARY OF THE TRUST'S ETHOS

During the course of his life our founder, Sir Halley Stewart, was a Non-Conformist Christian Minister, a Member of Parliament, a pioneering industrialist and a philanthropist. In 1924, when he founded the Trust, he specified four objects; to advance religion and education, to relieve poverty and to promote other charitable purposes beneficial to the community. The mind of Christ is to be expressed in the prevention and removal of human misery and in the realisation of national and worldwide brotherhood. Sir Halley stated that he wished the Trustees to have the fullest discretion to apply the income of the Trust within its objects, though not for dogmatic theological purposes.

Until his death in 1937, Sir Halley continued to take a keen personal interest in the Trust and acted as Chairman of the Trustees from 1924 to 1933. A tradition of supporting medical research was established during this period. In 1933 Sir Halley put on record guidance for administration of the Trust. "It is primarily for research to prevent human suffering; not for its relief, and not for granting help to charitable institutions. The Trust aims at promoting and assisting pioneer research activities with a view to making such work self-supporting at the earliest possible moment."

The wide range of areas in which we are involved in grant-making necessitates a Board of Trustees which possesses a diversity of skills and experience. Trustees are appointed from within the Stewart family (with four Trustees in this category at present) and from persons in sympathy with the broad aim of the Trust who can contribute from personal expertise to its management or areas of interest. The composition of the present Board includes members with special experience in the religious, social and medical fields, and members with financial experience appropriate to the administration of the capital endowment.

In line with the general principles set out in The Trust Deed and the subsequent guidance by the founder, and with regard to public benefit, grant-giving by the Trust falls into three main areas: Religious, Social, and Medical. Education is a theme that runs across all three grant-making areas. Three Sub-Committees recommend policies in each field and their reports that follow describe the wide range of applications supported during the financial year 2020/21.

The Trust continually monitors the effectiveness of previously made grants. All grants are given on the basis defined by our founder, that is, "to prevent human suffering". The deliberations that lead to the grant of awards for religious, social or medical purposes explicitly test applications in the context of this aim. In particular Trustees need to be convinced that the outcomes proposed by applicants will, if achieved, generate actual benefits to people in the short to medium term rather than providing theoretical insights that will take many years before they can be translated into such benefits. In all three areas of our grant-giving, this guiding principle means that our activities are carried out "for the public benefit". The public in our context is sometimes the population of the United Kingdom but on other occasions populations and groups in other countries, particularly in Africa.

The Trust aims to maintain personal and informal contact with applicants as appropriate, to keep paperwork to the minimum consistent with efficient administration, and to make decisions on applications within four months if possible. As ways of keeping in personal touch and monitoring the outcomes of the Trust's grant-giving, the Trustees and our Director visit funded projects and attend grantee events where possible, and also from time to time meet with grant holders before Board meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT CONSTITUTION

The Sir Halley Stewart Trust was established under a trust deed dated 15 December 1924 by the settlor, Sir Halley Stewart, and is a registered charity No. 208491. The original trust deed was varied by three further deeds in 1933, in 1960 and in 1997.

The objects of the Trust are, in general:

- To advance Christian religion;
- To advance education;
- To relieve poverty; and

SIR HALLEY STEWART TRUST

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

To promote other charitable purposes beneficial to the community.

The Trust Deed gives three principles to which the Trustees should have regard in administering the Trust income:

To furthering for every individual such favourable opportunities of education, service and leisure as shall enable him or her most perfectly to develop the body, mind and spirit;

In all social life whether domestic, industrial or national, to securing a just environment; and

In international relationships to fostering good will between all races, tribes, peoples and nations as to secure the fulfilment of hope of 'Peace on Earth'.

There have been no changes in the objectives since the last annual report.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

New Trustees are selected when vacancies arise. Trustees are sought from Medical, Religious, Social and Financial fields where their expertise would be of most use to the Trust, and applications are received in response to public advertisements in appropriate resources and via relevant networks. The Chair and Trustees from relevant Sub-Committees review applications and shortlist suitable candidates, who are then invited to an interview with a small panel of Trustees. The panel makes recommendations to the full Board, which makes final decisions on whether to appoint the recommended candidate(s) as Trustees. The relevant governance paperwork is then completed and successful candidates are formally appointed at the following Board meeting. Internal appointments to officer roles are made by asking for interested parties prior to a relevant Board meeting, and then conducting a nomination, seconding and voting process at that formal meeting.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Trustee Meetings

The Trustees meet three times each year to approve grants, receive reports and conduct the business of the Trust.

Trustees

The present Trustees are set out on page 1.

Chair

The Chair is elected by the Trustees and sits as a member of all committees. Mrs Theresa Bartlett is the current serving Chair.

Trust Staff

The day to day running of the Trust business is conducted by the Trust Director (a part-time employee) and a Grants Manager (a part-time employee), with infrastructure support provided by The Trust Partnership.

Pay policy for senior staff

The Trust considers that its key management personnel comprise the Board of Trustees, the Trust Director and Grants Manager. Between them, they are in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The pay of the Trust Director and Grants Manager are reviewed by the Trustees annually. The level of salary is periodically benchmarked to ensure that the remuneration set is fair and in line with that generally paid for similar roles.

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

Treasurer

The Honorary Treasurer oversees the financial records of the Trust, presents financial reports for the Trustees' meetings together with the Annual Accounts, and Chairs the Finance Sub-Committee.

TRUSTEES' ANNUAL REPORT

The Trustees present their annual report together with the audited financial statements of the Sir Halley Stewart Trust (the Trust), for the year ended 31 March 2021. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition October 2019, effective 1 January 2019).

OBJECTIVES AND ACTIVITIES PUBLIC BENEFIT

The whole of the Trust's grant expenditure is for the public benefit. The Trustees have assessed the disclosures made in the Trustees' and Chair's report and consider these sufficient to detail the significant activities undertaken in order to carry out the Charity's aims for the public benefit. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit.

GRANT MAKING POLICIES

The Trust provides grants to support innovative and pioneering Medical, Religious and Social projects to enable human flourishing and to prevent suffering. The Trust funds a wide range of organisations to achieve this goal, with grants normally ranging from one to three years in duration and up to circa £60,000 per project (with a £30,000 limit per year), although in exceptional cases up to £80,000 may be considered. The Trust is underpinned by Christian values, but welcomes applications from other faith and non-faith projects. Three Sub-Committees meet regularly to consider Medical, Religious and Social grant-making policies.

Grants are usually in the form of salary contributions and the Trustees prefer to support innovative and imaginative people — often promising young researchers — with whom they can develop a direct relationship. Sometimes a contribution towards the expenses of a project is given. In general, the Trustees do not favour grant-giving to enable the completion of a project initiated by other bodies.

The Trust maintains a website (www.sirhalleystewart.org.uk) that sets out the principles on which it selects successful applicants; provides clear application criteria; and gives examples of the kinds of grants that have previously been given. Potential applicants are encouraged to make an initial informal approach to the Trust's Grants Manager to discuss their projects before commencing an application, so that unsuitable projects can be deflected without wasting the valuable time and resources of the applicants themselves and the Trust. The Trust's online application form, combined with these consultations, significantly reduces the number of ineligible applications in each grant round. However, the Trust is still very over-subscribed with applications and so the assessment and grant awards process remains extremely competitive.

The Trust has several assessment phases in each grant round. Unsuccessful applicants are sent a personalised "decline" notification, either explaining the reason for rejection or offering a personalised feedback call. Projects judged as possibly suitable for a grant within the budgetary limit are considered by members of the Trust's Sub-Committees, using their specialised knowledge. At this stage queries and possible modifications of the application are dealt with by personal contact with the applicant. Final Main Grant decisions are made by all Trustees, after detailed and informed discussion, at their meetings held three times each year. Small Grant awards, maximum of £5,000, may be made throughout the year via Trustee consensus.

SIR HALLEY STEWART TRUST

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

ACHIEVEMENTS AND PERFORMANCE REVIEW OF ACTIVITIES

During the year the Trustees set out to fund a range of innovative research and development projects that meet the Trust's Medical, Religious and Social criteria; to manage the existing grants portfolio effectively; and to continue and develop the ongoing operations of the Trust. The Trustees are pleased to have achieved all three of these objectives, which are detailed further in the Chair's Statement above and the following Sub-Committee Chair reports.

GRANTS

An analysis of the major grants committed by the Trust during the financial year is set out in note 7 of the Accounts.

The Chairs of the three grant subcommittees report:

Medical Grants – Chair: Professor John Wyatt

2020/21 has been an extraordinary time in the medical world. The rapid development of new vaccines, treatments and delivery programmes during the pandemic has highlighted the remarkable vision, hard work and innovative approaches of those working in the healthcare sectors.

Here at the Trust we were pleased to provide over £420,000 (2020 - over £285,000) of grant funding towards projects under the Medical category. As ever, the sheer variety of high quality of project proposals we were received made our funding decisions very challenging.

We supported a number of projects in the pregnancy, neonatal and childhood health fields. These ranged from a nutritional survey on pregnancy induced sickness and hyperemesis, to a project on how coaching might improve the communication of unexpected news in obstetric ultrasound. We also funded a project focussed on movement behaviours in early childhood in Malawi, and work in the UK on genetic and environmental influences on mental illness in young people with developmental language disorder.

One of our largest grants was a pioneering emergency preservation and resuscitation innovation project that has the potential to significantly improve outcomes for seriously injured patients and the world of pre-hospital care. We also awarded Small Grant funding to several diverse projects, including in vitro screening of novel hydrogen sulphide therapeutics for Parkinson's disease, and exploring patient and carer perceptions of aids for improving medication compliance.

Palliative care continues to be a key interest for the Trust. We were delighted to award a Main Grant towards the development and evaluation of a novel initiative to provide access to high quality educational materials for global leaders in palliative care. This builds on the vision of Dame Cicely Saunders, the founder of the hospice movement, whom the Sir Halley Stewart Trust is proud to have funded at the start of her pioneering career. We also awarded two Small Grants towards a palliative care training and implementation programme in Sierra Leone and a palliative care toolkit video series here in the UK.

Tropical diseases also continue to be one of our priority areas, and we were pleased to award a Main Grant towards a project focussed on the use of Azolla (an aquatic plant) in managing mosquito populations, as well as a Small Grant towards the validation of galactokinase as drug target against Leishmaniasis.

Our core Medical priorities remain focussed on practical innovative projects that aim to prevent human suffering and are capable of clinical application within five to ten years. We are open to applications for pioneering work focussed on improving the quality of life for older people suffering from physical or psychological disorders; the prevention of disease and disability in children, disadvantaged groups and those affected by tropical infectious and parasitic diseases; and innovations in any discipline that are likely to improve health care. We look forward to supporting many more such projects in the year ahead.

SIR HALLEY STEWART TRUST

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

Religious Grants – Chair: Revd Professor David Wilkinson

During 2020/21 the Trust provided just under £175,000 (2020 - over £360,000) of Religious grants. The projects we supported demonstrate the diverse nature of this funding category, and the valuable impact of faith-based work on a wide variety of topics. For example, we funded a tool to support the integration and inclusion of the LGBTQ+ community in faith-sector organisations, in order to reduce the rate of LGBTQ+ suicide in churches, and supported a project regarding the experiences of freedom of religion or belief violations for women in Mexico.

Education and disseminating learning have always been priorities for the Trust, and this year we funded a project to share the wisdom of monastic communities and practice – to help a contemporary audience engage in a rhythm of prayer that leads to flourishing. We also supported online science faith CPD training for Church of England primary school teachers nationally, and a project to create and disseminate a new resource about Muslim life for use by church congregations and Christian groups, in order to counteract misleading sources of information, increase understanding and improve relationships within local communities.

This ability to fund such diversity is a key strength of the Trust, as is our flexibility to respond to new crises as they emerge. One of our largest grants was towards a project to bring Chaplains together to cultivate human flourishing and spiritual resilience in response to Covid-related losses for year 7 pupils. The impact of the pandemic will continue to be felt for many years, and we are pleased to be playing a part in aiming to mitigate the impact on young people at such a critical juncture of their development. We also funded a project to chart the changing relationships between local authorities and faith groups in responding to the impacts of Coronavirus.

As well as supporting work arising from the pandemic as appropriate, our core funding priorities remain the advancement of Christian religion, through innovative and practical ecumenical projects. We fund ground-breaking inspirational projects, which include wide dissemination to share learning with others working in similar fields. In particular, we prioritise projects that break down religious and secular divides, involve the vocational development of key people, and initiatives that are untested and have the potential to be game-changers. We currently have five specific priority areas for awarding Religious grants:

- To encourage Christian people to uphold, engage and communicate their faith in the public domain.
- To encourage dialogue between Christian faith and contemporary issues in a secular society.
- To encourage closer working relationships between Christian denominations; and / or to improve inter-faith relationships by facilitating a better understanding between faiths. A particular area of interest is improving dialogue and mutual understanding between Christian and Muslim faiths.
- To support and encourage the innovative education and communication of Christianity within the UK and also internationally.
- To encourage specific groups of people to explore their experience of spirituality and their spiritual needs and strengths, and to help others to understand these.

We had planned to hold a roundtable event during 2020 focussed on the broad areas of faith, gender, sexuality and sexual exploitation, but had to postpone this due to the impact of the pandemic. We were pleased to rearrange this as a virtual event for 2021, and we continue to explore new ways to bring our Grantees together to share their valuable learning and explore potential collaborations.

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

Social Grants – Chair: Ms Celia Atherton

This year the Trust awarded 14 grants worth £449,000 (2020 - over £350,000) in total. Our grants focussed on practical on-the-ground projects and research projects that concern themselves with direct impact for disadvantaged people. We are interested in new ways of tackling problems where the results will be disseminated widely and the learning used positively by others. We look for projects that involve beneficiaries as both creators and recipients of the services or research. While the majority of our grants are for work in the UK, a few are international.

Three of our grants were in the Small Grants group of £5,000 or less. We are delighted and impressed to see how much can be achieved with such a relatively small injection of funds. The other eleven grants were within our Main Grant programme ranging from £27,000 to £60,000 and lasting from one to three years.

Two of our grants demonstrate our concern for those who try to find shelter in the UK: one to support LGBTQ+ refugees as they settle into new lives here; and the other to provide support and assistance to vulnerable migrants who lack mental capacity to engage with the immigration system.

Two grants focus on support for people who have been sexually exploited: a peer-support forum for women who are survivors of commercial sexual exploitation; and the development of an online arm to existing in-person support for parents caring for a child who has been sexually abused. Another online-focussed grant enables evaluation of the impact of online support to people internationally with a Dual Diagnosis (those with severe mental and addictive disorder) – this developed because of Covid-19 restrictions but perhaps opens up new ways of reaching and supporting particularly vulnerable people.

Two of our grants focus on adoption: one, jointly with the Medical Sub-Committee, provides for the analysis and dissemination of the part of a longitudinal study examining how early and late adopted children fare in adolescence, from their and their adopters' perspectives; the second supported the development of a preparation pack for related carers overseas who were to have Looked After Children from the UK placed with them.

While two of the above grants related to people living beyond the UK we also funded three projects focussed entirely on work in Africa. One, in Ghana, supports young unemployed people to become primary school teachers in a very poorly-resourced area and to focus principally on inclusion, especially of girls and those with disabilities; another, in Tanzania, seeks to improve the health and wellbeing of mothers and babies affected by albinism; and the third, based on work in Uganda, will use an online platform to equip educators and caregivers across the developing world to utilise play-based methods to help children learn effectively through play.

Over the year we have seen how digital platforms are able to offer more and more. We want to encourage positive use of the digital world, especially social media, for young people and so provided a grant to promote young people's critical digital literacy.

One of our grants will enable the development of longer-term support for ex-offenders who have graduated from a targeted resettlement programme. Another grant will study the impact of hoarding behaviour on the attitudes of vulnerable people to moving into supported accommodation. And we gave one grant to a scheme to encourage primary school children to use compassion as a way to deal with conflict and become kinder citizens.

Throughout this year we have seen our grantees struggle and adapt to their Covid-19 environment and have been impressed with their commitment to continue working hard for their beneficiaries. While much of the impact of Covid-19 is terrible, we are also seeing some valuable new developments in service provision which we think could increase access and inclusion for many.

SIR HALLEY STEWART TRUST

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

FINANCIAL REVIEW

INVESTMENT HISTORY POLICY AND PERFORMANCE

The Trust's work is entirely reliant on income and investment returns from its endowments, which are invested on a total return basis. The Charity received a capital sum in 1924 from the settlor, Sir Halley Stewart, to be kept in perpetuity. In 1997 the Trustees were required by the Charity Commission to split the Endowment Fund to distinguish between unspent income and capital. The accumulated unspent income at that stage was labelled the Unrestricted Fund, although this term is no longer used in the Accounts, which now refer to Unapplied Total Return. A further donation was received in 1999 by way of a legacy from the Estate of Mrs. E.E.N. Pearce. The combined Funds generate regular annual returns, which are used to finance grants in furtherance of the Charity's objectives.

On the total return basis of investing, it is the Trustees' policy to extract as income up to 3.5 per cent. of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this is calculated on the average of the year-end values in each of the preceding five years. £1,092,000, being the equivalent of such 3.5 per cent. of the value of the investments, was taken as income in the year. The Trustees keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the Trust's activities.

From 1 April 2008 the investment management has been carried out on a discretionary basis. The Trust's investment portfolio is currently invested with fund manager CCLA, in its COIF Charities Investment Fund, which is an actively managed long-term multi-asset fund designed to help meet the growth and income requirements of a wide range of charities, through a highly diversified and well-balanced spread of investments, whilst keeping risk levels sensibly under control. The Fund invests largely in real assets equities, both in the UK and overseas, and property as well as infrastructure, private equity, bonds and other assets, offering diversified sources of income which should rise over time. The equities comprise well managed global companies with sound finances and resilient businesses.

The Fund is managed on a total return basis. The objective is to maintain the capital value of the portfolio in real terms and to generate a sustainable level of distributable cash to support current charitable activities. CCLA currently assesses the desirable average long-term total return at 7% per annum.

The Fund adopts a 'responsible investment' approach, to protect the financial interests and reputation of unitholders. The Fund's policy is to exclude investment in:

- Companies that have any involvement in the production of indiscriminate weaponry (landmines or cluster bombs, including critical parts);
- Companies with 'significant involvement' (i.e., more than 10% of turnover) in the production of pornography or online gambling; and
- Tobacco producers.

The Fund also benefits from CCLA's active stewardship programme: CCLA votes at all investee companies' AGMs and engages on a range of topical issues including climate change, modern slavery, mental health, corporate governance (including executive remuneration), nutrition, alcohol marketing and the use of plastics.

The Trust's Finance Sub-Committee meets quarterly with representatives of CCLA to receive investment updates and to review performance. The Trust's investment objective is to manage its investments so as to be fair to present and future beneficiaries, and the Finance Sub-Committee believes that investment in the COIF Charities Investment Fund is an appropriate way to achieve this.

The Trustees have considered their approach to investment risk. They accept that risk cannot be completely eliminated at an acceptable cost and that risk levels can alter, especially over any short-term period. They recognise that volatility of Stock Markets and unpredictability of earnings expectations will require them to exercise judgement in order to give appropriate weight to future and current needs, and that in some

SIR HALLEY STEWART TRUST

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

circumstances it will not be possible to demonstrate compliance with both. In making these judgements, the Trustees will be informed through the approved monitoring process and specialist advice when appropriate.

The "risk profile" recommended by the Finance Sub-Committee is "Moderate". This means that the Trustees are comfortable with investments that lead to some fluctuations in the value of the portfolio in exchange for the opportunity to achieve above average increases in value in the medium to long run. CCLA aims to achieve consistent and competitive returns over multiple time periods with volatility within the risk budget of 75% of UK equity market risk.

Performance of the COIF Charities Investment Fund over the financial year was reasonably good. At the end of March 2021, the value of the Trust's holding was £39,883,159, compared to a value of £33,043,069 in March 2020. The fund returned 24.31% over the year compared to a 24.01% return in the ARC Steady Growth Charity Index, which collects together performance data from peer group charities. It was ahead of the market comparator (a weighted "basket" of 45% non-UK equities, 30% UK equities, 15% UK government bonds, 5% UK commercial property and 5% cash) which returned 22.96% and therefore well ahead of the target benchmark of CPI plus 5%.

Asset Allocation in the Fund at the end of the financial year was as below:

UK Equities	9.89%
Overseas Equities	67.23%
Infrastructure and Operating Assets	9.12%
Property	3.90%
Contractual and Other Income	2.68%
Private Equity and Other	2.01%
Fixed Interest	0.34%
Cash and near cash	4.83%

Responsible Investment

The Sir Halley Stewart Trust is a responsible investor. We do not manage our investments in-house but aim to select investment managers who reflect our values and are committed to integrating environmental, social and governance considerations into their investment processes. We pay particular attention to our investment manager's approach to investing in line with our charitable aims.

We also seek to be an active owner of the companies held within our portfolio as we believe that this can deliver demonstrable, positive changes in corporate behaviour. For this reason, we encourage our investment managers to vote and engage with the companies in our portfolio on their behalf. For example, we currently support CCLA's engagement programme that encourages companies to develop policies and processes for improving employee wellbeing and mental health.

As part of our commitment to responsible investment, we expect our managers to be a signatory to the United Nations backed Principles of Responsible Investment and to demonstrate best practice by achieving above average ratings for 'Responsible Investment Strategy and Governance', 'Listed Equity Incorporation' and 'Listed Equity Active Ownership' in the annual PRI Assessment Process.

The Trust's Finance Sub-Committee monitors and evaluates our investment managers' approach to responsible investment and receives a full report on all activity at least once per year.

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

RESERVES POLICY

The Board of Trustees aims to maintain readily available free reserves in unrestricted funds at a level equivalent to six months of the higher of projected gross income or gross expenditure for the next financial year. The Trustees consider that this level would provide flexibility should unforeseen circumstances arise to give an urgent need for additional grants or other expenditure in delivering the Trust's objectives regardless of short-term fluctuations of income and expenditure or unforeseen financial burdens. The free reserves requirement will be calculated and monitored on a quarterly basis. Excess reserves (i.e. above the upper level of the target range) may be used to fund increases in expenditure in order to achieve the Trust's objectives subject to agreement by the Board of Trustees.

The target amounted to £600,000 as at 31st March, 2021 and the Trust's unrestricted general funds of £(39,000) were below this figure. It is hoped to establish the targeted reserve over a number of years.

PLANS FOR THE FUTURE

The Sir Halley Stewart Trust is a lasting testimony to the generosity and charitable concerns of the donors, Sir Halley Stewart and Mrs Pearce. The Trustees' approach will remain in accordance with the wishes of Sir Halley Stewart and we will continue to work with potential and existing grantees to pursue these core purposes. To this end, the Trust's policies and practices are reviewed regularly. In 2024 the Trust will be marking the centenary of its foundation and plans for this are now being made.

RISK MANAGEMENT

The Trustees carry out regular assessments of the major risks to which the charity is exposed. In particular, those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks. The Risk Register and Scheme of Delegation are reviewed annually by the Finance Sub-Committee, which makes any necessary changes and reports to the Trustees as appropriate. The Trustees consider that the major risks to which the charity is exposed relate to governance and management, operations, finances, external factors and compliance. The Trust's Risk Register outlines key risks within each of these areas and how the Trust acts to mitigate those risks, including assessing the likelihood of occurrence and severity of impact, control procedures, and the monitoring process for each identified risk and mitigation action. The top five risks identified by the Trustees are:

- Loss of key personnel
- Failure to manage the Trust's investments effectively
- Failure to meet sector standards and obligations
- Failure to identify or to protect the Trust against cyber crime
- Changes in the regulatory framework which adversely affect the Trust or its grantees.

Comprehensive controls are in place to enable the Trust to respond to, and as far as possible mitigate, these risks. These include: regularly updating and adhering to policies such as Antibribery, Scheme of Delegation, Safeguarding, Data Protection, Privacy Notice, Confidential Information, and Trustee Code of Conduct; detailed succession planning; following Charity Commission guidance on recruiting and good governance for Trustee and Staff appointments; scrutinising the management of Trust investments; appointing suitable investment managers, finance and accountancy providers and other advisors as required; requiring declarations of any possible conflicts of interest at Board meetings and acting accordingly to avoid such conflicts; obtaining appropriate insurance cover; maintaining appropriate electronic and hard copy record storage; providing clear communication, rigorous review and oversight processes for all Trust activities; and holding regular strategic reviews.

SIR HALLEY STEWART TRUST

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

TRUSTEES' RESPONSIBILITIES STATEMENT

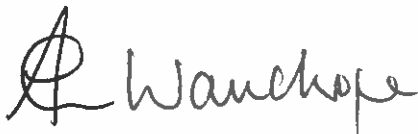
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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



Mr Andrew Wauchope
Honorary Treasurer

Date: 14/10/2021

SIR HALLEY STEWART TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIR HALLEY STEWART TRUST

OPINION

We have audited the financial statements of Sir Halley Stewart Trust (the 'charity') for the year ended 31 March 2021 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 March 2021 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 Auditors' 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustees with respect to going concern are described in the relevant sections of this report.

SIR HALLEY STEWART TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIR HALLEY STEWART TRUST (CONTINUED)

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' 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 TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

SIR HALLEY STEWART TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIR HALLEY STEWART TRUST (CONTINUED)

AUDITORS' 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 Auditors' 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 engagement partner 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 which laws and regulations were significant in the context of the entity; 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 company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- 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:

- tested journal entries to identify unusual transactions; and
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias.

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; and
- reading the minutes of meetings of those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

SIR HALLEY STEWART TRUST

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIR HALLEY STEWART TRUST
(CONTINUED)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 19 November 2021

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SIR HALLEY STEWART TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
INCOME AND ENDOWMENTS FROM:					
Charitable activities	3	-	-	-	1
Endowment return transferred	17	(1,167)	1,167	-	-
Investments	2	1,315	-	1,315	1,291
Other income	4	-	-	-	3
TOTAL INCOME AND ENDOWMENTS		148	1,167	1,315	1,295
EXPENDITURE ON:					
Raising funds	5	73	-	73	73
Charitable activities	6	-	1,247	1,247	1,129
TOTAL EXPENDITURE		73	1,247	1,320	1,202
NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		75	(80)	(5)	93
Net gains/(losses) on investments		6,839	-	6,839	(1,157)
NET MOVEMENT IN FUNDS		6,914	(80)	6,834	(1,064)
RECONCILIATION OF FUNDS:					
Total funds brought forward		32,284	100	32,384	33,448
Net movement in funds		6,914	(80)	6,834	(1,064)
TOTAL FUNDS CARRIED FORWARD		39,198	20	39,218	32,384

The notes on pages 22 to 40 form part of these financial statements.

SIR HALLEY STEWART TRUST

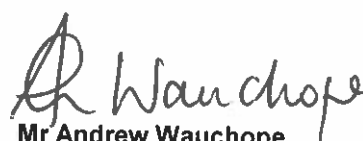
**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
FIXED ASSETS			
Investments	11	39,883	33,044
		<u>39,883</u>	<u>33,044</u>
CURRENT ASSETS			
Debtors	12	20	22
Cash at bank and in hand		913	835
		<u>933</u>	<u>857</u>
Creditors: amounts falling due within one year	13	(858)	(942)
NET CURRENT ASSETS / LIABILITIES		<u>75</u>	<u>(85)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,958</u>	<u>32,959</u>
Creditors: amounts falling due after more than one year	14	(740)	(575)
TOTAL NET ASSETS		<u><u>39,218</u></u>	<u><u>32,384</u></u>
CHARITY FUNDS			
Endowment funds	15	39,198	32,284
Unrestricted funds	15	20	100
TOTAL FUNDS		<u><u>39,218</u></u>	<u><u>32,384</u></u>

The financial statements were approved and authorised for issue by the Trustees on 14 October 2021 and signed on their behalf by:



Mrs Theresa Bartlett
Chair



Mr Andrew Wauchope
Honorary Treasurer

The notes on pages 22 to 40 form part of these financial statements.

SIR HALLEY STEWART TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	18	(1,237)	(1,305)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		1,315	1,291
NET CASH PROVIDED BY INVESTING ACTIVITIES		1,315	1,291
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		78	(14)
Cash and cash equivalents at the beginning of the year		835	849
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	913	835

The notes on pages 22 to 40 form part of these financial statements

SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES

1.1 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) (second edition October 2019) effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Sir Halley Stewart Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees have prepared forecasts to December 2022 and considered the trading period beyond this.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

1.3 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Endowment funds comprise those funds the capital of which must be invested to generate income for the charity. The Trustees at their discretion, may allocate any part of the unapplied total return to the general purposes of the Trust.

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

1.4 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.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

Interest on funds held on deposit is included when receivable and the income can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES (CONTINUED)

1.5 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. All expenditure is accounted for on an accruals basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise costs directly attributable to activities for raising funds such as investment managers fees.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	- straight line over 3 years
--------------------	------------------------------

1.7 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES (CONTINUED)

1.8 TOTAL RETURN INVESTMENT ACCOUNTING

The Trust is authorised to adopt a "total return" basis for the investment of its permanent endowment. The Trust can invest its permanent endowment without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be retained for investment or released to income at the discretion of the Trustees (see note 17 below).

1.9 DEBTORS

Other debtors are recognised at the settlement amount.

1.10 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.

1.11 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 within interest payable and similar charges.

1.12 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.

1.13 PENSIONS

The charity contributes towards a pension plan for its sole employee and the pension charge represents the amounts payable by the charity to the fund.

SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES (CONTINUED)

1.14 Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The most significant areas of adjustment and key assumptions that affect the items in the accounts are to do with estimating the liability from multi-year grant commitments. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

2. INVESTMENT INCOME

	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Dividends receivable	1,315	1,315	1,291
	<hr/>	<hr/>	<hr/>
TOTAL 2020	1,291	1,291	
	<hr/>	<hr/>	

SIR HALLEY STEWART TRUST

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

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Royalties Income	-	-	1
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2020	<u> 1 </u>	<u> 1 </u>	

4. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Statutory maternity pay recoverable	-	-	3
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2020	<u> 3 </u>	<u> 3 </u>	

5. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment management fees	73	73	73
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2020	<u> 73 </u>	<u> 73 </u>	

SIR HALLEY STEWART TRUST

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

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £000	Grant funding of activities 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Grants payable	83	1,092	72	1,247	1,129
	<u>83</u>	<u>1,092</u>	<u>72</u>	<u>1,247</u>	<u>1,129</u>
TOTAL 2020	-	995	134	1,129	
	<u>-</u>	<u>995</u>	<u>134</u>	<u>1,129</u>	

Support costs are allocated to grants payable on the basis of the total number of grants awarded.

In 2020 all expenditure on charitable activities was attributable to unrestricted funds.

Analysis of direct costs

	Activities 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Commissioned research into longer-term outcomes and impact	83	83	-
	<u>83</u>	<u>83</u>	<u>-</u>

SIR HALLEY STEWART TRUST

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

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Activities 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	25	25	16
Meetings	-	-	5
Telephone	-	-	2
Computer	-	-	4
Publications	2	2	2
Miscellaneous	1	1	7
Accountancy	9	9	7
Audit	8	8	7
Insurance	2	2	1
Secretarial	25	25	78
Trustees' travel	-	-	5
	<u>72</u>	<u>72</u>	<u>134</u>
TOTAL 2020	<u>134</u>	<u>134</u>	

Included in support costs are governance costs totalling £8k (2020 - £12k), this relates to audit fees of £8k (2020 - £7k) and trustees' travel expenses of £nil (2020 - £5k).

7. ANALYSIS OF GRANTS

	Grants to Institutions 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Grants awarded	1,092	1,092	995
TOTAL 2020	<u>995</u>	<u>995</u>	

SIR HALLEY STEWART TRUST

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

The charity has made the following material grants to institutions during the year:

	2021 £000	2020 £000
Grants of £10,000 and over:		
University of Keele	60	-
London's Air Ambulance Charity	60	-
LandWorks	60	-
University of Plymouth	60	-
University of Leeds	60	-
Teach2Teach International	59	-
Cicely Saunders International	57	-
University of York	57	-
Islington Mind	52	-
University of Strathclyde	49	-
Mosac	49	-
Canterbury Christ Church University	48	-
Standing Voice	45	-
Migrants Organise	44	-
Northern Baptist College	40	-
Play Action International	35	-
Northumbria University	32	-
National Literacy Trust	28	-
CSW	28	-
God and the Big Bang	28	-
Anna Freud National Centre for Children and Families	27	-
Discovering Prayer	16	-
Commonwealth Pharmacist Association (CPA)	10	60
The Trussell Trust	10	-
Standing Voice (Covid-19 Charity Support Grant)	10	-
University of Stirling	-	119
University of Bath	-	67
Church Action on Poverty	-	63
Adfam	-	60
Subtotal c/f	1,024	369

SIR HALLEY STEWART TRUST

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

Grants of £10,000 and over (continued):

	2021 £000	2020 £000
Subtotal b/f	1,024	369
The Good Faith Partnership LLP	-	60
Visible Ministries	-	60
NATRE	-	60
Gather	-	60
Imperial College of London	-	60
Youthscape	-	56
Horse and Bamboo Theatre	-	51
Brighton & Sussex University Hospitals	-	45
University of Aberdeen	-	40
The Surgical Foundation	-	39
Vision Care for Homeless People	-	20
The Corrymeela Community	-	19
School-Home Support	-	17
Herriot-Watt University	-	14
King's College London	-	10
University of Chester	-	10
Grants under £10,000 (incl. grants to individuals)	93	46
Grants returned	(25)	(41)
	<u>1,092</u>	<u>995</u>

8. AUDITORS' REMUNERATION

	2021 £000	2020 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8	7
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	9	7
	<u>9</u>	<u>7</u>

SIR HALLEY STEWART TRUST

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

**9. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY
MANAGEMENT PERSONNEL**

	2021 £000	2020 £000
Wages and salaries	21	13
Social security costs	2	1
Other pension costs	1	3
	24	17

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

	2021 No.	2020 No.
Administration	1	1

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Trust comprise the Trustees and the Trust Director. No trustees received any remuneration or benefits in kind from the charity (2020 - £nil). The total employee benefits of the key management personnel of the charity were £24,000 (2020 - £17,000).

During the year, 0 (2020 - 15) Trustees received reimbursement of expenses for travel totalling to £nil (2020 - £5,000).

SIR HALLEY STEWART TRUST

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

10. TANGIBLE FIXED ASSETS

	Computer equipment £000
COST OR VALUATION	
At 1 April 2020	3
At 31 March 2021	3
DEPRECIATION	
At 1 April 2020	3
At 31 March 2021	3
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	-

SIR HALLEY STEWART TRUST

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

11. FIXED ASSET INVESTMENTS

	Listed investments £000
COST OR VALUATION	
At 1 April 2020	33,044
Revaluations	6,839
AT 31 MARCH 2021	39,883
NET BOOK VALUE	
AT 31 MARCH 2021	39,883
AT 31 MARCH 2020	33,044

All listed investments are listed on recognised stock exchanges. Day-to-day management of the investments was delegated by the trustees during the year to CCLA.

INVESTMENT RISK MANAGEMENT

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are included at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

SIR HALLEY STEWART TRUST

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

12. DEBTORS

	2021 £000	2020 £000
DUE WITHIN ONE YEAR		
Tax repayable on investment income	20	22
	20	22

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Accruals and deferred income	12	8
Grants accrued - institutional (see note 7)	846	934
	858	942

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000
Grants accrued - institutional (see note 7)	740	575

SIR HALLEY STEWART TRUST

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

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
UNRESTRICTED INCOME FUNDS						
DESIGNATED FUND						
The Centenary Fund	100	-	-	(41)	-	59
GENERAL FUNDS						
General Funds	-	1,167	(1,247)	41	-	(39)
TOTAL UNRESTRICTED FUNDS	100	1,167	(1,247)	-	-	20
ENDOWMENT FUNDS						
Permanent Endowment Fund	32,284	148	(73)	-	6,839	39,198
TOTAL OF FUNDS	32,384	1,315	(1,320)	-	6,839	39,218

SIR HALLEY STEWART TRUST

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

15. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
UNRESTRICTED INCOME FUNDS						
DESIGNATED FUND						
The Centenary Fund	100	-	-	-	-	100
GENERAL FUNDS						
General Funds	-	4	(1,129)	1,125	-	-
TOTAL UNRESTRICTED FUNDS	100	4	(1,129)	1,125	-	100
ENDOWMENT FUNDS						
Permanent Endowment Fund	33,348	1,291	(73)	(1,125)	(1,157)	32,284
TOTAL OF FUNDS	33,448	1,295	(1,202)	-	(1,157)	32,384

The Centenary Fund has been established by the Trustees to mark the Trust's centenary in 2024.

The transfer comprises the total return on endowment funds applied for the purposes of the charity (see note 17).

SIR HALLEY STEWART TRUST

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Fixed asset investments	39,783	100	39,883
Current assets	788	145	933
Creditors due within one year	(650)	(208)	(858)
Creditors due in more than one year	(723)	(17)	(740)
TOTAL	39,198	20	39,218

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Endowment funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000
Fixed asset investments	32,944	100	33,044
Current assets	857	-	857
Creditors due within one year	(942)	-	(942)
Creditors due in more than one year	(575)	-	(575)
TOTAL	32,284	100	32,384

SIR HALLEY STEWART TRUST

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

17. TOTAL RETURN INVESTMENT

The investment power of total return was granted by a Charity Commission Order on 22 March 2005. At the time the power was granted the trustees identified the value of the gifts of permanent endowment received up until 22 March 2005. The difference between the total of endowment funds as at 22 March 2005 and the value of the gift component represented the opening balance of unapplied total return.

The power of total return permits the trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment.

The power allows the trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. The investment return to be applied as income is calculated as up to 3.5 per cent. of the average of each of the preceding 5 years' year-end market valuations of the endowment.

	Trust for Investment 2021 £000	Unapplied Total Return 2020 £000	Total Endow- ment 2021 £000	Total Endowment 2020 £000
At the beginning of the year:				
Gift component of the permanent endowment	15,322	-	15,322	15,322
Unapplied total return	<u>-</u>	<u>16,962</u>	<u>16,962</u>	<u>18,026</u>
	15,322	16,962	32,284	33,348
Movements in the year:				
Investment return: dividends and interest	-	1,315	1,315	1,291
Investment return: unrealised gains/(losses)	-	6,839	6,839	(1,157)
Less: Investment management costs	-	(73)	(73)	(73)
Allocated to the Trust for application for the purposes of the charity	<u>-</u>	<u>(1,167)</u>	<u>(1,167)</u>	<u>(1,125)</u>
Net movements in the reporting period	-	6,914	6,914	(1,064)
At the end of the year:				
Gift component of the permanent endowment	15,322	-	15,322	15,322
Unapplied total return	<u>-</u>	<u>23,876</u>	<u>23,876</u>	<u>16,962</u>
Total endowment	<u>15,322</u>	<u>23,876</u>	<u>39,198</u>	<u>32,284</u>

SIR HALLEY STEWART TRUST

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

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£000	£000
Net income/expenditure for the year (as per Statement of Financial Activities)	6,834	(1,064)
ADJUSTMENTS FOR:		
(Gains)/losses on investments	(6,839)	1,157
Dividends, interests and rents from investments	(1,315)	(1,291)
Decrease/(increase) in debtors	2	(2)
Increase/(decrease) in creditors	81	(105)
NET CASH USED IN OPERATING ACTIVITIES	(1,237)	(1,305)

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Cash in hand	913	835
TOTAL CASH AND CASH EQUIVALENTS	913	835

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April	Cash flows	At 31 March
	2020	£000	2021
	£000		£000
Cash at bank and in hand	835	78	913
	835	78	913

21. PENSION COMMITMENTS

The charity contributes towards a pension plan for its sole employee and the pension charge represents the amounts payable by the charity to the fund amounted to £2,000 (2020 - £3,000)

SIR HALLEY STEWART TRUST

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

22. RELATED PARTY TRANSACTIONS

The Trustees have not identified any transactions with related parties.