
SIR HALLEY STEWART TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022**

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 Ms Shemara Fletcher BA (Hons), MA (appointed 24 June 2022) Ms Kate Garbers Prof Jane Gilliard BA, CQSW Mr Andrew Graystone BA, PGCE, MA Ms Christine Morgan MA Cantaur (appointed 24 June 2022) Mrs Amy Holcroft BA (Hons), Dip.Law (CPE), Dip.Law (LPC), CIPP/E Dr Mzwandile A Mabhala MFPH, FRSPH, FRSM Mr Hugh Richardson Dr Duncan Stewart MB, BS, D.Obst, RCOG, (President) Mr Andrew Wauchope BA, FCISI, (Honorary Treasurer) Prof Philip Whitfield BA, MA, PhD (resigned 24 June 2022) Prof Gordon K Wilcock DM Oxon, FRCP Revd Prof David Wilkinson BSc, PhD, MA, PhD, FRAS 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) (maternity leave from 24 February 2022) Ms Elizabeth Fathi (Interim Director from 24 February 2022)
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 2022**

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 2022

CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Once again my Chair's Statement reflects on a year affected by the pandemic. I am, as always, sincerely grateful to the Board of Trustees and staff who have risen to the challenge and ensured that our grant-giving has continued to be strong and sure-footed. We remain responsive to new requests and necessary changes to existing grantees who face uncertain times and high demand for their services. Throughout the year we have continued to hold our scheduled meetings, albeit online, but the agenda remains full and the decision-making robust. We are hopeful that the summer of 2022 will see a return to in-person meetings.

During the 2021/22 year, the Sir Halley Stewart Trust (the Trust) awarded over £1million of grants to a variety of research and development projects within medical, religious and social categories. Further details are provided later by the Chairs of each sub-committee and I remain grateful to them and all my fellow Trustees for their tireless care and attention to ensure that the Trust's funds are awarded to those who best meet our charitable objects. With the end of the financial year came the closure of our Covid 19 Emergency Support Grants programme which had offered additional funds, where necessary, for existing grantees and new awards to those charities in need on the frontline. We remain impressed by the wonderful work carried out by so many charities at home and abroad, and we look forward to providing continued support as we enter the new post-pandemic world.

Just after the financial year end, we were delighted to welcome two new trustees Shermara Fletcher and Christine Morgan who bring specialist experience to their role as Religious Sub-Committee members. Family member, Henry Stewart has joined the Finance Sub-Committee as an advisor and we are grateful to him for his time and skills. Lydia Pretzlik and Nick Wright, former finance advisors, retired during the year and I would like to record our thanks to both of them for their wise counsel. Sadly, in June 2022, just following the year end, Phil Whitfield, retired, having been a Trustee for over twenty years providing considerable expertise, wisdom and experience to the Medical Sub-Committee and during his time as Chair. Our Director, Vicky Chant, started her maternity leave in February 2022 and an Interim Director was appointed through The Trust Partnership, with whom Trustees have a long-standing working relationship. We were delighted to welcome Lorraine Faires, our Grants Manager, who joined the Trust in May 2021 and has already used her experience and expertise to benefit the work of the Trust.

We are very sad to report the death, in September 2021, of Professor Phyllida Parsloe who served as a Trustee between 1982 and 2015 and had an enormous impact on the Trust's work including Chairing of the Social Sub-Committee for many years. Phyllida was the inaugural Professor of Social Work at the University of Bristol and was a member of the Trust's Emeriti until her passing

In addition to making grants, Trustees have continued to work on various projects to strengthen and celebrate the work of the charity. In particular, developing a special interest funding round with another family trust, the Wates Foundation, (with whom we have previously worked successfully) to jointly fund research and development into breaking the cycle of homelessness amongst young women and girls who have suffered, or witnessed, abuse. The funding, of £80,000, is to be awarded over a two-year period and illustrates the aim of Trustees to continue the core objective of the charity by looking at alternative ways of delivery.

We have also been delighted to see considerable progress in our commissioning of Helix Research & Evaluation to undertake a study of the impact of 100 years of grant making by the Trust. The aim is to present the findings at the Trust's centenary celebrations in 2024 along with further conclusions from Helix about how future funding can be evaluated and monitored to maximise a long-lasting legacy.

During the year, it was agreed that the Trust should pursue becoming an incorporated organisation. Legal advice will be sought as to the most appropriate incorporation structure for the Trust as well as costings and timings.

SIR HALLEY STEWART TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Despite the conditions we have all endured over the past year, I am pleased report that the Trust continues to fulfil its objectives and ends the year in a strong financial position.

Theresa Bartlett

**Theresa Bartlett
Chair of Trustees**

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 1924-33. 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 those 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 2021/22.

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 grantgiving, 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.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The objects of the Trust are, in general:

1. To advance Christian religion;
2. To advance education;
3. To relieve poverty; and
4. To promote other charitable purposes beneficial to the community.

The settlor gave guidance that he wished the Trust principally to provide grants for research into the prevention of human suffering, with the view to making such pioneering research work self-supporting at the earliest possible moment.

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

1. 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;
2. In all social life whether domestic, industrial or national, to securing a just environment; and
3. 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 and Appointment of New 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.

Pay Policy For Senior Staff

The Trust considers that its key management personnel comprise the Board of Trustees, the 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.

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.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 Director (a part-time employee) and a Grants Manager (a part-time employee), with infrastructure support provided by The Trust Partnership.

Other Relevant Organisations

Details of the Trust's Auditors, Bankers and Investment Advisors are set out on page 1. The account with Barclays Bank was closed during the year.

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 2022. 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

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

applications in each grant round. However, the Trust is still very oversubscribed 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.

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 6 of the Accounts.

The Chairs of the three grant subcommittees report:

Medical Grants – Professor John Wyatt

2021/22 has been both demanding and exciting within the field of medicine. We were pleased to provide over £330,000 of grant funding towards projects within the Medical category. As ever, the sheer variety and high quality of project proposals we have received made our funding decisions very challenging.

We supported a number of projects focussing on infants and children. These ranged from research into new treatments for premature babies undergoing intensive care, to preventing home accidents in young children and supporting valuable research into the psychological development of adolescents living with chronic pain. We also funded research into the real-world problems encountered by young stroke survivors.

At the other end of the age-range we funded research into the use of virtual reality to promote the physical and mental health of older adults within care environments. We are aware of the increasing importance of digital technologies and informatics in healthcare, and we funded an innovative project investigating the use of 'big data' to assess the care being provided for depression disorders in rural settings, and to find ways of communicating this in an accessible format for the general public.

Tropical diseases also continue to be one of our priority areas, and we were pleased to award a research grant into developing novel rapid diagnostics for neglected parasitic diseases.

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 2022

Religious Grants – Revd Professor David Wilkinson

During 2021/22 the Trust provided just under £308,000 of Religious grants. The projects we supported continue to demonstrate the diverse nature of this funding category, and the valuable impact of faith-based work on a wide variety of topics. As examples, we funded a leadership development project for Christian leaders in areas of socio-economic deprivation in Northern Ireland, a women's wellbeing and leadership programme, provided grants to academic institutions to look at challenging the narrative of religious decline and contributed to a project harnessing the potential of community within Black Christian and Pentecostal spaces.

The Trust continues to consider projects where previous funding has led to positive impact and/or development in understanding. This year we funded the Church Urban Fund for the second time, having also provided a grant in 2017 to commission an investigation to understand, measure, analyse and respond to the relationship between social action, church growth and discipleship in the Church of England today. From that work a set of themes emerged amongst churches that were growing numerically. Namely: hospitality, generosity, adaptability, participation and an active presence within the community. The 2022 grant was awarded to build upon these findings and to help churches and leaders integrate mission into that development focusing on, amongst other things, social action, personal identity and ministerial work in a post-Covid world and leadership modules for ordained and lay church leaders. Trustees look forward to monitoring the work of this Growing Good Project.

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 continue to explore new ways to bring our Grantees together to share their valuable learning and explore potential collaborations.

Social Grants – Ms Celia Atherton

This year the Trust awarded nine grants in our Main Grant scheme, worth £423,000 in total (ranging from £28,000 - £60,000 across one to three years). 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 one is international.

While all our grants are focussed on tackling disadvantage two of them had a specific focus on addressing the trauma that so often results. One enables whole families where a child has autism to recover from trauma together and find ways to resolve conflicts with the agencies upon whom they depend. The other seeks to make trauma-informed support for young men in custody a primary way of helping them move on to a settled life, free of crime.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

That project is one of many in the criminal justice system that we have funded over the years. This year we also provided a grant to develop an economic evaluation model for Restorative Justice conferencing in England and Wales. It is notoriously hard to work out what the financial benefit of a particular social intervention is and we hope that this model will also prove to have useful insights for other interventions.

Education is another enduring theme of interest to us, and we are pleased that three of our grants this year have concerned the education arena for children and young people. One is to a partnership between a university and a city council, working together to identify how better to support children with Special Educational Needs move from primary to secondary education. This can be a fraught time for any child and will have even more potential perils for a student with special needs. This grant exemplifies the direction of our grants – partnerships with practice organisations, where the results can be seen to make a difference to beneficiaries within two years.

Our other two grants this year within the children and young people's education world respond to issues which have, rightly, gained more national and global prominence recently. One concerns a culture-change approach to helping young people recognise, challenge and, ultimately, eradicate racism. This is a long-term endeavour and we are delighted to support grounded efforts to make progress for the benefit of us all. The others tackle a similarly huge and sometimes daunting issue – that of climate change. Our grant will enable educators to move out of the classroom with the aim of reaching more young people on this topic, especially youngsters who are disaffected but, ironically, more affected by the dangers of climate change than many others.

We are committed to ensuring that more of our grants support the direct involvement of beneficiaries in deciding the approach to the work and to take part in the development and dissemination overall. Our international grant sees this play out in Madagascar where it will enable local ownership of development data to improve sanitation for vulnerable urban communities. In the UK we take decent toilet facilities and access to clean water for granted. Yet they are in seriously short supply in many parts of the world. This project will enable local workers to identify and find the local data they need in order to support the most effective localised improvements.

Our interest in migration, slavery and trafficking continues with problems for people as prevalent as ever. This year we made a grant to support female survivors of human trafficking, not by direct therapy but, rather, by using floristry as a means of helping the women address their emotional isolation and their economic needs. Building the capacity for independence seems to us to be crucial to becoming healthily settled in a new country.

And we gave one grant to a Welsh charity doing important work to prevent youth homelessness. This is an upstream project, trying to prevent young people becoming or staying homeless at the very beginning of their adult lives. This theme is so important to us that we, in a partnership with the Wates Foundation, will be funding more work around a specific group of young people facing homelessness.

Over this year we have been so impressed by the commitment, imagination and passion of those who have applied to us for grants. The determination of all these people and organisation, and their willingness to be rigorous in setting outcome targets and rolling out diverse dissemination helps ensure that many people, in many places, can benefit from their results and experiences.

FINANCIAL REVIEW

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.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The target amounted to £600,000 as at 31st March, 2022 and the Trust's unrestricted general funds of £149,000 were below this figure. It is hoped to establish the targeted reserve over a number of years.

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. £1,271,000, 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.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 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 reasonable until the turn of the year when the first quarter of 2022 was impacted by a number of factors including, on 24th February 2022, Russia's invasion Ukraine. These had a significant impact on our portfolio. However, the portfolio made up ground in the lead up to the year end and at the end of March 2022, the value of the Trust's holding was £43,405,160 compared to a value of £39,383,159 in March 2021.

The fund returned 11.61% over the year compared to a 7.12% return in the ARC Steady Growth Charity Index, which collects together performance data from peer group charities. It was just behind 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 11.72%. However, it was ahead of the target benchmark of CPI plus 5% which was 11.14%.

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

UK Equities 9.24%
Overseas Equities 63.40%
Infrastructure and Operating Assets 9.06%
Property 4.58%
Contractual and Other Income 2.76%
Private Equity and Other 2.44%
Fixed Interest 0.00%
Cash and near cash 8.52%

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.

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

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 Trusts 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.

FUTURE GRANTS

For budgeting purposes, the Trustees are permitted to draw down an appropriate amount from Unapplied Total Return, if the distributed income from the two funds referred to above is inadequate to achieve the objects of the charity. They understand the need to take careful account of any capital gains or losses. For the year to 31 March 2023, the Trustees have set a budget based substantially upon anticipated investment income from the funds.

The Trustees will keep their budget under review throughout the year.

The Trust recognises its grant giving is dependent on the total return it receives from its investments and regular meetings with investment advisers mean that the Trustees are able to adjust their grant budget accordingly. The Trustees cash reserve is sufficient to cover six months' grants.

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:

- Spending capacity of endowment is not maintained
- Ineffective management of the investment portfolio; endowment portfolio underperforms
- Loss of key personnel
- Negative / Inappropriate action of trustees or grantees
- Data protection becomes weak and GDPR compliance becomes poor

SIR HALLEY STEWART TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

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: 26 October 2022

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 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 March 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 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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees 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 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.
- 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 Trust, including the Charities Act 2011;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties;
- 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 a sample of 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.

SIR HALLEY STEWART TRUST

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

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.

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: 26 October 2022

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 2022

	Note	Endowment funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 restated * £000
INCOME AND ENDOWMENTS:					
Endowment return transferred		(1,271)	1,271	-	-
Investments	3	1,297	-	1,297	1,315
TOTAL INCOME AND ENDOWMENTS		26	1,271	1,297	1,315
EXPENDITURE:					
Cost of raising funds					
Investment management costs	4	517	-	517	424
Charitable activities		-	1,142	1,142	1,247
TOTAL EXPENDITURE		517	1,142	1,659	1,671
NET (EXPENDITURE)/INCOME BEFORE NET GAINS ON INVESTMENTS		(491)	129	(362)	(356)
Net gains on investments		3,974	-	3,974	7,190
NET MOVEMENT IN FUNDS		3,483	129	3,612	6,834
RECONCILIATION OF FUNDS:					
Total funds brought forward		39,198	20	39,218	32,384
Net movement in funds		3,483	129	3,612	6,834
TOTAL FUNDS CARRIED FORWARD		42,681	149	42,830	39,218

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

* See notes 1.1 and 4 for prior year restatement.

SIR HALLEY STEWART TRUST

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £000	2021 £000
FIXED ASSETS			
Tangible assets	9	1	-
Investments	10	43,340	39,883
		<u>43,341</u>	<u>39,883</u>
CURRENT ASSETS			
Debtors	11	-	20
Cash at bank and in hand		1,217	913
		<u>1,217</u>	<u>933</u>
Creditors: amounts falling due within one year	12	(1,059)	(858)
NET CURRENT ASSETS		158	75
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,499</u>	<u>39,958</u>
Creditors: amounts falling due after more than one year	13	(669)	(740)
NET ASSETS		<u><u>42,830</u></u>	<u><u>39,218</u></u>
CHARITY FUNDS			
Endowment funds	14	42,681	39,198
Unrestricted funds	14	149	20
TOTAL FUNDS		<u><u>42,830</u></u>	<u><u>39,218</u></u>

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



Mr Andrew Wauchope
Honorary Treasurer

Date: 26 October 2022

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 2022**

	Note	2022 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	16	(992)	(1,237)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		1,297	1,315
Purchase of tangible fixed assets		(1)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		1,296	1,315
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		304	78
Cash and cash equivalents at the beginning of the year		913	835
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	1,217	913

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 2022**

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.

The accounts (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 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) issued 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.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. Sir Halley Stewart Trust meets the definition of a public benefit entity under FRS 102.

Prior year restatement

In 2020-21 there was an error in the amount of £73,000 shown within Raising funds for investment management costs, which has now been corrected to £424,000. This was caused by £351,000 of investment management costs being deducted from revaluation gains. Revaluation gains for 2020-21 have now been restated as £7,190,000 (£6,839,000 before restatement).

1.2 GOING CONCERN

The Trustees have prepared forecasts to March 2023 and considered the 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

Unrestricted income funds are funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Permanent endowment funds comprise those funds the capital of which must be invested in perpetuity and is managed on a total return basis. Investment income and any increase or decrease in the value of investments and the net income is credited or debited to the endowment fund, being included in the unapplied total return. The Trustees at their discretion, may allocate any part of the unapplied total return to the general purposes of the Trust.

Investment income, costs and gains and losses are allocated to the endowment fund. An appropriate portion of the unapplied total return is applied to the unrestricted income fund each year and so is available for expenditure.

SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES (CONTINUED)

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.

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 and valued at historical cost.

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
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SIR HALLEY STEWART TRUST

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

1. ACCOUNTING POLICIES (CONTINUED)**1.7 FIXED ASSET 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.

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 2 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 employees 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 2022**

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. The trustees do not consider the impact of discounting to be material and therefore no adjustment is made. Further no adjustment is made for the potential clawback of grants that are unused. 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.

SIR HALLEY STEWART TRUST

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

2. 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.

	Endow- ment 2022 £000	Unapplied Total Return 2022 £000	Total 2022 £000	Total Endowment 2021 restated * £000
At the beginning of the year:				
Gift component of the permanent endowment	15,322	-	15,322	15,322
Unapplied total return	-	23,876	23,876	16,962
	15,322	23,876	39,198	32,284
Movements in the year:				
Investment return: dividends and interest	-	1,297	1,297	1,315
Investment return: unrealised gains/(losses)	-	3,974	3,974	7,190
Less: Investment management costs	-	(517)	(517)	(424)
Unapplied total return allocated to income	-	(1,271)	(1,271)	(1,167)
Net movements in the reporting period	-	3,483	3,483	6,914
At the end of the year:				
Gift component of the permanent endowment	15,322	-	15,322	15,322
Unapplied total return	-	27,359	27,359	23,876
Total	15,322	27,359	42,681	39,198

* See notes 1.1 and 4 for details of this restatement.

SIR HALLEY STEWART TRUST

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

3. INVESTMENT INCOME

	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Dividends receivable	1,297	1,297	1,315
	<hr/>	<hr/>	<hr/>
TOTAL 2021	1,315	1,315	
	<hr/>	<hr/>	

4. INVESTMENT MANAGEMENT COSTS

	Endowment funds 2022 £000	Total funds 2022 £000	Total funds 2021 restated £000
Investment management fees	517	517	424
	<hr/>	<hr/>	<hr/>
TOTAL 2021	424	424	
	<hr/>	<hr/>	

In 2020-21 there was an error in the amount of £73,000 shown for investment management costs, which has now been corrected to £424,000. This was caused by £351,000 of investment management costs being deducted from revaluation gains.

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £000	Grant funding of activities 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Grants payable	-	1,054	88	1,142	1,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL 2021	83	1,092	73	1,248	
	<hr/>	<hr/>	<hr/>	<hr/>	

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

In 2021 and 2022 all expenditure on charitable activities was attributable to unrestricted funds.

SIR HALLEY STEWART TRUST

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

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Activities 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Commissioned research into longer-term outcomes and impact	-	-	83
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2021	<u>83</u>	<u>83</u>	

ANALYSIS OF SUPPORT COSTS

	Activities 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Staff costs	49	49	25
Telephone	1	1	-
Computer	7	7	-
Publications	2	2	2
Miscellaneous	-	-	1
Meetings	1	1	-
Accountancy	5	5	9
Audit	9	9	8
Insurance	2	2	2
Secretarial	12	12	26
	<u> </u>	<u> </u>	<u> </u>
	<u>88</u>	<u>88</u>	<u>73</u>
TOTAL 2021	<u>73</u>	<u>73</u>	

Included in support costs are governance costs totalling £10k (2021 - £8k), this relates to audit fees of £9k (2021 - £8k) and trustees' travel expenses of £1k (2021 - £nil).

SIR HALLEY STEWART TRUST

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

6. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Grants awarded	1,054	1,054	1,092
TOTAL 2021	1,092	1,092	

SIR HALLEY STEWART TRUST

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

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

	2022 £000	2021 £000
Grants of £10,000 and over:		
University of Bath	60	-
Prison Advice and Care Trust	60	-
Respond	60	-
Church Urban Fund	60	-
Swansea University	60	-
University of Surrey	60	-
The Centre for Theology and Community	59	-
Why me? Transforming Lives through Restorative	59	-
Goldsmiths University	58	-
Ambassadors Football UK	58	-
EGA Institute For Women's Health, University College London	56	-
York St John University	50	-
Third Generation Project / University of St Andrews	46	-
Manchester Metropolitan University	45	-
Strength & Stem	44	-
Acet UK	41	-
Llamau	34	-
Theos Think Tank	30	-
University of Salford	30	-
Gather	29	-
Lincoln University	27	-
Religion Media Centre	21	-
Bethnal Green Mission Church	12	-
University of Keele	-	60
London's Air Ambulance Charity	-	60
LandWorks	-	60
University of Plymouth	-	60
University of Leeds	-	60
Teach2Teach International	-	59
Subtotal c/f	1,059	359

SIR HALLEY STEWART TRUST

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

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

	2022 £000	2021 £000
Subtotal b/f	1,059	359
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
The Trussell Trust	-	10
Standing Voice (Covid-19 Charity Support Grant)	-	10
Grants under £10,000	26	93
Grants returned	(31)	(25)
	1,054	1,092

The value of grants to individuals was £nil (2021 - £nil).

There were no grants made with conditions not being met (2021 - none).

SIR HALLEY STEWART TRUST

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

7. AUDITORS' REMUNERATION

	2022 £000	2021 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	9	8
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	6	9
	<u><u> </u></u>	<u><u> </u></u>

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

	2022 £000	2021 £000
Wages and salaries	35	21
Social security costs	9	2
Other pension costs	5	1
	<u><u>49</u></u>	<u><u>24</u></u>

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

	2022 No.	2021 No.
Administration	2	1
	<u><u> </u></u>	<u><u> </u></u>

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 (2021 - £nil). The total employee benefits of the key management personnel of the charity were £26,000 (2021 - £24,000). Maternity cover has been provided by a seconded interim director from The Trust Partnership.

During the year, 2 (2021 - 0) Trustees received reimbursement of expenses for travel totalling to £1,000 (2021 - £nil).

SIR HALLEY STEWART TRUST

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

9. TANGIBLE FIXED ASSETS

	Computer equipment £000
COST OR VALUATION	
At 1 April 2021	3
Additions	1
	<hr/>
At 31 March 2022	4
	<hr/>
DEPRECIATION	
At 1 April 2021	3
	<hr/>
At 31 March 2022	3
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 March 2022	1
	<hr/> <hr/>
At 31 March 2021	-
	<hr/> <hr/>

SIR HALLEY STEWART TRUST

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

10. FIXED ASSET INVESTMENTS

	Listed investments £000
COST OR VALUATION	
At 1 April 2021	39,883
Revaluations	3,457
	<hr/>
AT 31 MARCH 2022	43,340 <hr/>
 NET BOOK VALUE	
	<hr/>
AT 31 MARCH 2022	43,340 <hr/>
	<hr/>
AT 31 MARCH 2021	39,883 <hr/>

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 2022**

11. DEBTORS

	2022 £000	2021 £000
DUE WITHIN ONE YEAR		
Tax repayable on investment income	-	20
	<u>-</u>	<u>20</u>
	<u>-</u>	<u>20</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000	2021 £000
Accruals and deferred income	9	12
Grants accrued - institutional (see note 6)	1,050	846
	<u>1,059</u>	<u>858</u>
	<u>1,059</u>	<u>858</u>

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

	2022 £000	2021 £000
Grants accrued - institutional (see note 6)	669	740
	<u>669</u>	<u>740</u>
	<u>669</u>	<u>740</u>

There are no funding commitments at the year end (2021 - none).

SIR HALLEY STEWART TRUST

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

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
UNRESTRICTED INCOME FUNDS					
DESIGNATED FUND					
The Centenary Fund	59	-	-	-	59
GENERAL FUNDS					
General Funds	(39)	1,271	(1,142)	-	90
TOTAL UNRESTRICTED FUNDS	20	1,271	(1,142)	-	149
ENDOWMENT FUNDS					
Permanent Endowment Fund	39,198	26	(517)	3,974	42,681
TOTAL OF FUNDS	39,218	1,297	(1,659)	3,974	42,830

SIR HALLEY STEWART TRUST

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

14. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £000	Income £000	As restated Expenditure £000	Transfers in/out £000	As restated 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	(424)	-	7,190	39,198
TOTAL OF FUNDS	32,384	1,315	(1,671)	-	7,190	39,218

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 2).

SIR HALLEY STEWART TRUST

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

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	1	1
Fixed asset investments	43,240	100	43,340
Current assets	1,161	56	1,217
Creditors due within one year	(1,323)	264	(1,059)
Creditors due in more than one year	(397)	(272)	(669)
TOTAL	<u>42,681</u>	<u>149</u>	<u>42,830</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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	<u>39,198</u>	<u>20</u>	<u>39,218</u>

SIR HALLEY STEWART TRUST

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

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

	2022 £000	2021 £000
Net income for the year (as per Statement of Financial Activities)	3,612	6,834
ADJUSTMENTS FOR:		
Net gains on investments	(3,457)	(6,839)
Dividends, interests and rents from investments	(1,297)	(1,315)
Decrease/(increase) in debtors	20	2
Increase/(decrease) in creditors	130	81
NET CASH USED IN OPERATING ACTIVITIES	(992)	(1,237)

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £000	2021 £000
Cash in hand	1,217	913
TOTAL CASH AND CASH EQUIVALENTS	1,217	913

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash at bank and in hand	913	304	1,217
	913	304	1,217

SIR HALLEY STEWART TRUST

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

19. PENSION COMMITMENTS

The charity contributes towards a pension plan for its employees and the pension charge represents the amounts payable by the charity to the fund amounted to £5,000 (2021 - £2,000). There was £nil outstanding at the balance sheet date (2021 - £nil).

20. RELATED PARTY TRANSACTIONS

A £1,000 small grant was awarded to a charity which shares a trustee with the Trust. The trustee was not involved in the decision to award the grant.