

**THE HENRY SMITH CHARITY**  
Registered Charity 230102

---

**ANNUAL REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

## Contents

Chair's Review	1
Report of the Trustees	2
Report of the Auditors	20
Financial Statements	23

## Contents

The past year has been beyond challenging for all of us, with no part of UK society unaffected by the Covid-19 pandemic, and long-lasting restrictions on most aspects of life. But I have been extremely proud of the way in which we have risen to that challenge. There was a seamless move from office to home based working for all staff, which continues at the time of writing. The staff have shown great patience and resilience in these difficult circumstances, and it is through their efforts that we were able to continue grant giving without any interruption.

We made total grants of £39.2m, a record. Some of this was made possible by excellent investment performance over recent years, which continued in 2020. In light of the impact of the pandemic on charities we decided to respond with greater flexibility and additional funds. We bid for DCMS Community Match Challenge funds (the first time to our knowledge that the Charity has been a grant applicant) and received £2m, which we matched with additional funding of our own and distributed to some of our existing grant holders, following a survey and application process to understand the additional needs they were meeting, or the income they had lost. We were very impressed by what this revealed about the resilience of many of our grant holders, their dedication and resourcefulness.

In the past year we have been giving more attention to diversity, equity and inclusion, in light particularly of the disparities in impact of the pandemic on different communities. This has involved carefully reviewing our policies and processes. We know that we have more to do, and the Board will be overseeing the implementation of our action plan. During the year we awarded a £2m strategic grant, in partnership with Impetus, for distribution to organisations working to reduce exclusions from school. This seems especially timely following the long disruption to education.

One disappointment has been the drop in applications and grants under our Strengthening Communities programme. We are keen to get more money into the most deprived places. We have made some adjustments to our policies and processes here, and plan to do much more to ensure that organisations working in these areas are aware of the funds available.

We have some exciting plans for the coming years. Working with our Investment Advisers, we have concluded that we can draw additional funds from the endowment without compromising the level of future grant giving. The impacts of the pandemic are likely to be with us for some years, and we have decided that now is the time to increase our funding to the charitable sector.

I should like to conclude with thanks to my fellow Trustees for their support and willingness to embrace new ways of working, both in relation to our grant giving and in our meetings which have been entirely virtual since March 2020. We were sad to say goodbye to Anna McNair Scott, who made a huge contribution to the Charity as County Trustee for Hampshire and leading on our Kindred programme, but we were glad to welcome new trustees, Faisal Rahman and George Roberts, and look forward to the new perspectives they will bring. Above all I should like to thank Nick Acland, and the staff team, along with our volunteer visitors. Without their hard work and dedication none of this would be possible.

Vivienne Dews  
Chair

# Report of the Trustees

## Trustees

J Asquith	E Bolton
B Colgrain	E Davies
V Dews	E Feisal
P Feilden	M Granger
P Hackwood	J P Hordern
B Kernighan	N G H Manns
A McNair Scott (retired Dec 2020)	F Rahman (appointed May 2021)
H Ridha	G Roberts (appointed Jul 2021)

V Dews was also a Director of Henry Smith Trading Limited, the wholly owned subsidiary of the Charity, until its sale on 31 January 2020.

## Registered Office

65 Leadenhall Street, London, EC3A 2AD

## Website

[www.henrysmithcharity.org.uk](http://www.henrysmithcharity.org.uk)

## Director

N Acland

N Acland was also a Director of Henry Smith Trading Limited, the wholly owned subsidiary of the Charity, until 31 January 2020.

## Charity Registration

230102

<b>Bankers:</b>	Bank of Scotland, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<b>Solicitors:</b>	SNR Denton LLP, One Fleet Place, London, EC4M 7WS Veale Wasbrough Vizards LLP, 24 King William Street, London, EC4R 9AT
<b>Auditor:</b>	Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW
<b>Investment Custodian:</b>	Northern Trust, 50 Bank St, London, E14 5NT
<b>Investment Advisers:</b>	Cambridge Associates, 80 Victoria Street, London, SW1E5JL
<b>Property Advisers:</b>	LaSalle Investment Mgt, 33 Cavendish Square, London, W1A 2NF Savills UK Ltd, Stuart House, City Road, Peterborough, PE1 1QF

# Report of the Trustees

## Overview

---

### Introduction

The Henry Smith Charity was established from a gift of land given during the lifetime of Henry Smith, and bequest upon his death in 1628. Since then, the charity has honoured the spirit of Henry Smith's will, working to combat disadvantage and meet the challenges and opportunities facing people in need throughout the UK. Nearly four centuries after we were first established, The Henry Smith Charity is one of the largest grant-making charities in the UK.

The Henry Smith Charity aims to bring about lasting change to people's lives, helping them to benefit from and contribute to society. We achieve this by providing funding to reduce social and economic disadvantage. Our grantees are at the core of our mission and work.

The charity is registered in England and Wales and governed by a Scheme of the Charity Commissioners dated 5 October 2000 which came into effect on 1 January 2001.

### Guiding Principles

The Charity has adopted a set of guiding principles which outline how we aim to work as an organisation. They guide our activity, serve as a reference for our ongoing work, and help to ensure that our actions are consistent with our aspirations. These principles underpin all our grant making activities.

- We aim to continue the legacy of philanthropy established by our founder Henry Smith
- We focus on those social problems where there is an opportunity for our money to make a difference
- We endeavour to maximise the effectiveness of our funding
- We seek to be responsive to demand
- We aim to maintain a rational, pragmatic approach
- We aim to be as helpful as possible to those we seek to assist

### Trustees

The Charity is required to have between ten and twenty Trustees. The Trustees are listed on page 1 of this report. New Trustees serve up to two terms of five years each, with provision in exceptional cases for a third term of up to five years. Trustees are appointed following a formal recruitment process, including an assessment of the Charity's needs and the mix of skills and experience on the Board. A structured induction programme is provided for all for new Trustees. Board effectiveness is maintained and ensured through regular reviews of both Board and individual Trustee performance, and Trustee training is provided as needed.

### Decision Making

The Board is responsible for all major policy decisions and for approving strategy and objectives. They meet four times a year. Main grants are approved by the Board, but significant decision-making authority is also delegated to the following committees:

- Decisions in respect of some of the Charity's smaller grant programmes are delegated to Trustee Committees or appointed Trustees, with recommendations and decisions being reported to the Board.
- The Governance and Nominations Committee is responsible for ensuring good governance of the Charity. The current governance arrangements were reviewed in 2018.
- The Remuneration Committee is responsible for determining the Director's and Senior Managers' remuneration.
- The Investment Committee is responsible for investment policy, asset allocation and performance monitoring.
- The Finance and General Purposes Committee is responsible for budgeting and financial management, organisational policies, staff remuneration, audit and risk management.

# Report of the Trustees

Day to day operational activities are delegated to the Director and members of the senior management team, comprising the Head of Finance & Resources, Head of Grants, Head of Grants Administration and Head of Learning & Evaluation, under a formal schedule of delegations.

## Statement of Organisational Purpose

In 2019, guided by the recommendation in the Charity Governance Code, we developed a statement of organisational purpose: ***'To use our resources to help people and communities at a time of need and to bring about positive change.'*** We use this statement of purpose to inform and guide our decision making across the organisation.

## Public Benefit

Trustees consider the Charity Commission guidance on public benefit when planning future activities, setting grant-making policies and in making grants. The positive social impact anticipated from each grant is considered before a grant is awarded and monitored. This enables Trustees to be confident that the Charity has, through its wide range of grant holders, achieved significant public benefit for a number of vulnerable groups across the UK. A diverse range of public benefit is provided by the hundreds of charities we support each year, as they work to alleviate need and distress, and help people lead more fulfilling lives. A summary of our grant making in 2020 is set out below illustrating the work we have supported.

## Response to Covid-19 pandemic

2020 was dominated by the Covid-19 pandemic which continues to have far reaching implications for our grant holders and the people they are working to support.

We are pleased to report that we carried on our grant-making uninterrupted, switching immediately to full home-based remote working. We also quickly signed up to the flexible approach adopted by a number of funders. This gave grant holders greater scope to use grants to address funding shortfalls or to meet changing needs by allowing flexibility on payment schedules and outcome reporting.

We successfully applied for £2m from the DCMS as part of their Community Match Challenge initiative, and awarded an additional 53 grants, (with £10k administration costs) to a total value of £4m to grant holders in England in October 2020. 45 of these grants were made to organisations experiencing an increased need for their services, and 8 were made to organisations experiencing financial challenges to meet the needs of existing beneficiaries. We put in place plans to award similar grants to organisations working in Northern Ireland, Scotland and Wales, and made awards in 2021.

Through our contact with our grant holders we have been kept aware of the impact of the pandemic on those most in need in our society and the lasting impact we can expect to see for many years to come. We have been impressed by the financial resilience of the majority of the organisations we fund, and the extent to which emergency funding from government and elsewhere has been effective in helping small charities over this period. We also recognise the concern that emergency funding and other support will end, while demand for services remains at unprecedented levels.

Finally we have been inspired by the dedication and resourcefulness of so many organisations in adapting their services in order to meet the needs of the people and communities they support.

# Report of the Trustees

## Diversity, Equity and Inclusion

During the year it became clear that the impact of Covid-19 was falling disproportionately on some of the most deprived communities and in particular Black and Minority Ethnic communities. This fact, as well as the murder of George Floyd in the US and the Black Lives Matter movement in the UK, highlighted the need for us, in common with many other grant-making foundations, to carefully review our practices in the context of Diversity, Equity and Inclusion (DEI).

In response to these events the Board set up a working group consisting of trustees, staff and volunteer visitors. This group reviewed the DEI practices within the charity against the ACF pillars of stronger foundations practice. This resulted in the Board putting in hand a number of actions including approving the following DEI statement:

***As a charity working to reduce social and economic disadvantage, the values of diversity, equity and inclusion are central to the ethos of The Henry Smith Charity.***

***We believe these values should be reflected throughout our whole organisation and in everything we do.***

---

***This includes working to address social inequity in all its forms including racial injustice and discrimination.***

***We recognise that this ambition will not be achieved without self-awareness and work on our part. We are therefore committed to measuring, monitoring and publishing our progress in these areas.***

We also commissioned a firm of independent consultants to carry out a diversity audit of the Charity and provide an inclusion report. The report stated that the Henry Smith Charity was viewed by staff as a good place to work and that the Charity made a conscious effort to be inclusive, but there were a number of areas highlighted where improvements were needed. Actions to address these areas for improvement included reviewing recruitment practices to ensure they were accessible to as diverse a group of applicants as possible and also to avoid any unconscious bias. It was also suggested that we undertook training for staff and Trustees in inclusive leadership.

We are now taking action on these issues and developing a DEI strategy for the Charity to ensure we continue to make progress in this area.

We have carried out an analysis of our main grant programme and the extent to which it reaches black and minority ethnic communities and have shared this information with the Funders for Race Equality Alliance. The results of this analysis were positive in terms of the reach of our grant-making but less positive in funding to organisations led by and for black and minority ethnic groups. Future work will include reviewing the accessibility of our application process.

We believe we are making good progress in these areas but recognise that there is further work to be done.

# Report of the Trustees

## Grant Making Programmes

We awarded grants through a number of different programmes during the year.

Programme	Overview
Main Grants	Grants for organisations that work to reduce social and economic disadvantage. Main grants are divided into two separate programmes: Improving Lives and Strengthening Communities. Each of these programmes has a separate set of priorities and guidelines.
Community Match Challenge (CMC) Grants	Grants for organisations enabling them to continue to deliver established vital services with those most affected by Covid-19, and to deliver new/different services to respond to challenges related to the current crisis. Grants were also given to support charities in high financial need caused by Covid-19, to enable them to continue to operate.
County Grants	Grants for smaller organisations working with disadvantaged people and communities in one of eight English counties with which the Henry Smith Charity has a historical connection.
Holiday Grants	Grants for recreational trips and holidays for groups of children aged 13 and under in the UK who are disabled or disadvantaged. While the programme was suspended during through the year, grants were awarded in the first quarter.
Parish Grants	Grants for local organisations, mainly based broadly on an allocation set out by the Trustees of Henry Smith's will for the relief of poverty in specified parishes but widened in 2020 to include parishes located in some of the most deprived areas in the UK as highlighted by the indices of deprivation
Clergy and Christian Projects	Grants to support projects that explicitly promote the Christian faith in the UK.
Kindred Grants	Grants to individuals who are descendants of the sister of Henry Smith or adopted by a descendant. Grants are awarded on a means-tested basis.

Grants totalling £39,205,000 were awarded as follows:

Programme	Total Funding Committed
Main Grants	£27,192,000
Strategic Grants	£3,960,000
CMC/Covid-19 Grants	£4,467,000
County Grants	£1,179,000
Holiday Grants	£120,000
Parish Grants	£855,000
Clergy and Christian projects	£1,166,000
Kindred Grants	£762,000
Less: cancelled grants	(£496,000)
<b>Total Grant Awards</b>	<b>£39,205,000</b>

A full list of the grants we made to organisations over the last year along with the detailed criteria for each grant programme is available on our website (<https://www.henrysmithcharity.org.uk/recently-awarded-grants/>).



# Report of the Trustees

## Achievements and Performance – Main Grants

£27,192,000

Our Main Grants Strategy comprises two programmes: Improving Lives and Strengthening Communities. Each programme has its own priorities and guidelines. In 2020, we made 211 grants – 190 Improving Lives grants and 21 Strengthening Communities grants. We received 983 applications in total, a decrease in numbers compared to 2019.

	Improving Lives	Strengthening Communities	Total
Total number of applications	865	118	983
Total number of grants	190	21	211
Success rate	22%	18%	21%

Almost all grants were for three years and the average 3-year total grant award was £131,000, a slight increase on 2019. The average Improving Lives grant was £132,000. The average Strengthening Communities grant was £108,000.

Continuation grants (repeat grants made to applicants who we currently fund) accounted for 33% of all Main Grants. Continuation grant applicants have significantly higher success rates than non-continuation grant applicants.

### Improving Lives

Through the Improving Lives grant programme, we support charitable organisations across the UK to help people for whom other sources of support have failed, been inappropriate or are simply not available. This is our largest funding programme, through which we distribute most of our funds. In 2020, we made **190 Improving Lives grants** in response to **865 applications**.

The Improving Lives programme has six funding priorities, which describe the work we fund and how we want to bring about change for the most disadvantaged people in the greatest need. During the application process grantees must demonstrate how the outcomes they deliver meet one or more of these priority areas:

- **Help at a Critical Moment** - Helping people to rebuild their lives following a crisis, critical moment, trauma or abuse
- **Positive Choices** - Helping people, whose actions or behaviours have led to negative consequences for themselves and others, to make positive choices
- **Accommodation / Housing Support** - Enabling people to work towards or maintain accommodation
- **Employment and Training** - Supporting people to move towards or gain employment
- **Financial Inclusion, Rights & Entitlements** - Supporting people to overcome their financial problems and ensure they can claim their rights and entitlements
- **Support Networks & Family** - Working with people to develop improved support networks and family relationships

Help at a Critical Moment was the most popular priority area in 2020, selected by 58% of applicants and 59% of grant holders. Support Networks and Family was the next most popular, selected by 57% of applicants and 49% of grant holders. This was consistent with 2019. Consistently lower numbers of applicants and grant holders are addressing Accommodation / Housing Support. We are addressing this through our targeted Housing First strategic grantmaking programme. Grants were awarded through this programme in 2020.

## Report of the Trustees

Grants can be made for an organisation's running costs (including salaries and overheads) or the costs of a specific project (including staffing costs). In 2020 we awarded 126 grants towards project costs and 64 grants towards organisational running costs.

In 2020 our Improving Lives grants funded projects that plan to directly support **106,407** beneficiaries. We will touch the lives of a further **70,905** beneficiaries through funding running costs of organisations. These are the total numbers of beneficiaries that projects or organisations expect to support over the course of their Henry Smith grant, not the number of beneficiaries directly attributable to our funding.

Compared to the figures for our Improving Lives grants in 2019, the headline beneficiary numbers we expect to reach are higher in 2020. The variance also highlights the challenge of aggregating numbers across grants from a range of different cause areas.

### Strengthening Communities

The Strengthening Communities programme supports small grassroots organisations working in the most deprived areas of the UK (measured by national indices of multiple deprivation). We know that smaller organisations rooted in their communities play a vital role in supporting people to make positive changes. We support these organisations to create lasting solutions to both the individuals and the community. We make Running Costs grants only.

In 2020, we made grants to 21 organisations in response to 118 applications, a reduction in both applicant and grant numbers compared to 2019. The proportion of the Main Grants budget going to Strengthening Communities has decreased from 19% in 2018 to 10% in 2020. The average grant value totalled £107,000, a slight decrease compared to 2019. The number of Strengthening Communities applications has fallen steadily since we launched the programme in 2018.

We carried out a review of the programme in 2020 and plan to carry out promotion to increase the number of applications as part of our strategy but also as a response to the disproportionate impact of coronavirus in deprived communities.

### Cause Areas Supported

Cause area	Grants	Rejected Applications	Success Rates
Black and Minority Ethnic Communities	9	21	30%
Carers	7	23	23%
Children and Young people	20	152	12%
Disability	13	61	18%
Disadvantaged Communities	40	140	22%
Domestic and Sexual Abuse	22	40	35%
Family Services	36	54	40%
Homelessness	5	35	13%
Learning Disabilities	10	39	20%
LGBTQ	5	6	45%
Mental Health and Wellbeing	9	73	11%
Older People	11	37	23%
Prisoners and Ex-Offenders	5	19	21%
Refugees and Asylum Seekers	14	24	37%
Sex Work, Trafficking and Modern Slavery	2	6	25%
Substance Misuse and Dependency	3	15	17%
Ineligible (outside of criteria)		27	0%
<b>Total</b>	<b>211</b>	<b>772</b>	

## Report of the Trustees

Our grant making focus remains relatively broad and responsive. We aim to respond to the needs identified by applicants, and therefore make grants to charities supporting individuals facing disadvantage in diverse areas of their lives.

We continue to see a high demand for grants related to domestic and sexual abuse, family support services, mental health and wellbeing, and children & young people.

### Geographical Distribution

As a UK-wide responsive funder running an open grant programme, it is important that we make grants across the UK. The table below shows the number of grants made and applications received in 2020 split by geographical area.

We continue to find that much of the work meeting the greatest need is within the most deprived, mainly urban areas of the UK. In 2020, we made 44% of our grants are made to organisations based in geographical areas in the bottom 20% on the Indices of Multiple Deprivation. The Strengthening Communities programme has a particular focus on areas of deprivation. In 2020, we made 17 of 21 grants to organisations working in the 5% most deprived areas of the country. Applicants working in the 1% most deprived areas had the highest chance of being awarded a grant with a 40% success rate.

We will continue to review the geographical spread of our grant making to ensure that we are receiving applications from all areas of the UK and that our grant making is targeted to need.

Geographical area	Grants	Applications
Crown Dependency	0	1
East Midlands	14	50
East of England	14	46
London	38	105
National	6	51
North East	5	36
North West	26	77
Northern Ireland	5	20
Scotland	26	95
South East	18	88
South West	15	64
Wales	7	37
West Midlands	16	44
Yorkshire and The Humber	21	58
<b>Total</b>	<b>211</b>	<b>772</b>

### Grant Assessment

We assess the quality of applications against a wide variety of different criteria to ensure that we are achieving our charitable objectives and that we are making robust, transparent and consistent funding decisions.

## Report of the Trustees

Assessment of the organisations is divided into the following headings:

- Vision, mission and strategy
- Integration into the community
- Financial Eligibility
- Budgeting and fundraising

Assessment of the service(s) provided is divided up into the following headings:

- Need for the service
- Description of the service
- Is it clear how the service is making a difference?
- Service impact
- How 'significant' is the difference?
- Monitoring & evaluation quality
- Ability to deliver
- Is the work delivered as intended?

Once an application has passed the initial paper-based assessment, an assessment visit will take place. This enables us to assess the need for the project, ensure the organisation's management and governance are fit for purpose, confirm that the project is sustainable, and the outcomes are both realistic and achievable.

### Grant Holders' Progress Reports

Once a grant has been approved grant holders report back to us on their progress annually for the duration of their grant. They report on the numbers of people they helped, activities delivered, beneficiary outcomes, organisational developments, external changes that have affected their work, their financial performance and outlook for the year ahead. They also provide beneficiary case studies.

These reports provide valuable information on issues our grant-holders are facing, and on progress of work supported by our grants. It is pleasing to note that the vast majority of grants have met or exceeded expectations with a small number not having done so but usually for reasons which are well explained and are being addressed.

### Learning and Evaluation

In line with the wider voluntary sector we are aware of the need to demonstrate the impact of our work. We require those applying to us to demonstrate the outcomes they are achieving and believe we should apply the same rigour to ourselves. This is a challenge, as our grants cover a wide range of services and groups to relieve poverty, deprivation and disadvantage.

We monitor grant outcomes through our grant progress reporting process. We examine the specific outcomes that organisations have achieved in terms of the number of people they work with and the benefit they provide. The framework we have in place allows us to review performance of grants and collect learning about the organisation, the operating environment and lessons learned. Over time we are able to use the information provided to report on the collective impact of our grant making. We also have enhanced reporting processes for a small number of selected grants.

We monitor our grantmaking throughout the year but also carry out a detailed annual review of our main grants programmes to confirm our understanding of whom and what we are funding. We analyse applications and grants made and use the data to inform our policy-making and future planning. This has been particularly important this year to understand the rapidly changing environment and the impact of coronavirus on our grantholders.

## Report of the Trustees

As we build our knowledge and learning from our own grant making, we are also looking to learn from external sources. We are carrying out a series of sector reviews to provide an overview of the context, needs and issues in each of the major sectors we fund. In time this work will allow us to add further clarity to our priorities. We also plan to identify strategic grant opportunities where our funding could have magnified impact. Over the last year we have been developing an internal learning log as a systematic way to collect and store our internal learning.

### Achievements and Performance – Other Programmes

#### County Grants

£1,179,000

The County Grants programme supports the work of small organisations and charities in eight counties with which the Henry Smith Charity has a historical connection. The eight counties are Gloucestershire, Hampshire, Kent, Leicestershire, Suffolk, Surrey, East Sussex and West Sussex. Grants support work with people experiencing social and/or economic disadvantage (people with disabilities, for example) and work that tackles problems in areas of high deprivation broadly in line with our main grant objectives. Grants range from £2,000 to £20,000 with an average grant size of £12,500.

To be eligible to apply for a County Grant, the organisation's annual income must be below £250,000, unless the organisation is working county-wide, in which case its income must be below £1 million. Grant recommendations are made by County Trustees who use their local knowledge to assess the merit of applications; currently the Suffolk and Surrey schemes are administered by the local Community Foundations. County grant recommendations are approved at the quarterly Board meeting.

In 2020, 94 grants were awarded across the eight counties.

County	Grant Number	Grant Amount
East Sussex	16	£84,000
Gloucestershire	6	£110,000
Hampshire	11	£154,000
Kent	24	£284,000
Leicestershire	7	£108,000
Suffolk	10	£120,000
Surrey	10	£186,000
West Sussex	10	£133,000

Grants were used for organisation running costs, salaries, project costs, or one-off small capital expenditure such as building refurbishment or equipment.

During 2020 the Board decided that the small grant programme in the Counties would be progressively closed as County Trustees reached the end of their terms of office. This is in recognition of the fact that the counties are not in the areas of greatest deprivation in the UK. We also felt that the requirement to recruit trustees who are resident in these counties was a significant additional restriction on the field of eligible candidates to serve on our Board.

#### Holiday Grants

£120,000

The Holiday Grants programme provides grants for short holidays and recreational trips for groups of children aged 13 and under in the UK who are disabled or disadvantaged. In 2020 we made 61 one off grants.

## Report of the Trustees

Grants ranged between £500 and £2,500 and were made to schools, youth groups, not for profit organisations and charities. Trips ranged from days out up to week-long stays in activity centres. Due to the impact of Covid-19 only 17 trips benefiting 671 children and young people took place. It is important to us that no child be excluded on financial grounds from a trip we are supporting, and all grants are awarded on this condition. In line with our commitment to be flexible and supportive to our grant holders, we have agreed to changes to dates and duration of trips as necessary.

### Clergy and Christian Projects

£1,166,000

The Clergy and Christian Projects grants programme has three elements and in 2020 grants were made as follows:

Programme	Grant Amount
Grants to support individual clergy, managed through Church of England dioceses	£559,000
Bursaries for Church of England Ordinand training	£80,000
Grants to Christian Projects that explicitly promote the Christian faith in the UK	£527,000

In the Christian Projects programme we value projects that set out to nurture and grow people's journey in Christian faith and grow churches, and only support work that comes from a Church of England context, or that is fully ecumenical. There are four priority areas for this fund and all applications must explicitly address one or more of these priorities.

1. Meeting the spiritual needs of older people, including those with dementia
2. Meeting the spiritual needs of those with learning disabilities and those who have cognitive impairments
3. Reaching out to the unchurched – especially young people and young families- by nurturing their spiritual interest and well-being
4. Projects which support and care for Anglican clergy at times of acute need.

### Kindred

£762,000

In line with Henry Smith's will, which included a legacy to help members of his family in financial need, we award grants to individuals who are descendants of the sister of Henry Smith or adopted by a descendant. Grants are awarded on a means-tested basis, to address financial need. A free confidential Helpline is also provided as an alternative means of assistance. More than 2,500 kindred are registered with us and over 150 people received financial support in 2020. We were also pleased to introduce an emergency grant scheme for Kindred who were facing financial hardship as a result of the pandemic especially in the period before government support payments reached those in need.

### Parish Grants

£855,000

The parish scheme is a separate fund within the endowment, representing approximately 2% of our assets. Under the scheme we distribute annual grants of between £2,000 and £20,000 to over 150 entities, based broadly on an allocation set out by the Trustees of Henry Smith's will for the relief of poverty in particular parishes. These entities then use the money for the relief of poverty within their designated parish, and report annually how the money was used.

The entities include local ecclesiastical parishes, specially established local Henry Smith Charities and larger grant making organisations such as Trust for London and Cripplegate Foundation. Over 1,000 volunteers administer the local grant-making and more than 5,000 people receive a grant each year.

## Report of the Trustees

During the year we continued to offer the opportunity for parishes to apply for supplementary grants to meet additional needs in their area, many of which are more acute due to the impact of Covid-19. In addition we widened the scope of the scheme to cover 19 additional parishes, based in the most deprived areas, who were in a position to make grants to meet the needs of people in their areas.

### Strategic Grants

£3,960,000

We are traditionally a responsive grant maker but are willing to use some of our funds in a more proactive and strategic manner, where this can increase the impact of our grant-making. We have been carrying out reviews of our various grant-making areas, which has identified some possibilities for strategic grant-making, and this is an ongoing process which may identify future opportunities also.

We made a strategic grant of £1.9m in early 2020 to support six organisations to run Housing First Programmes over the next four years. In September 2020, we committed £2m to a £3m fund we created with Impetus (another grantmaker focused on improving educational outcomes for young people) – called The Engage Fund. This fund supports charities tackling school exclusions in England.

### Community Match Challenge (CMC)/Covid-19 grants

£4,467,000

We successfully applied for £2m of funding from the DCMS under their CMC funding scheme and matched this with £2m from the Charity's reserves, to enable grants totalling £4m to provide support to organisations enabling them to continue to deliver established vital services with those most affected by Covid-19, and to deliver new/different services to respond to challenges related to the crisis. Grants were also given to support charities in high financial need caused by Covid-19, to enable them to continue to operate.

An additional £467k was awarded to organisations ineligible for the CMC scheme, but whose work is meeting additional need through the Covid-19 pandemic.



# Report of the Trustees

## Plans for Future Development

---

In 2021 we will operate our grant making programmes as outlined above, while developing our learning and evaluation work and continuing to focus our funding in areas where we can maximise the impact of our grant making. An interim review of our Main Grants Strategy is planned for late 2021.

In response to the Covid-19 pandemic, the Charity has agreed to release additional funds from its endowment, and we will be working up plans for increasing our funding, both to new applicants and through current grant holders. We anticipate that over £30m in additional funding will be released over the next three years.

Having worked primarily from home during most of 2020, we are planning to return to office-based working as and when Covid guidelines are relaxed. We will trial new ways of working which will include continuing with a greater level of working from home than was the case before the pandemic.

Following the completion of the Diversity, Equity & Inclusion (DEI) review in early 2021, we will review our organisational and grant making policies, procedures and processes and put in place an action plan to make changes and improvements where required.

## Financial Review

---

### Investments

The Henry Smith Charity is a permanent endowment, with assets held in perpetuity. These assets are the primary funding source for the Charity, so the performance of investments over the long term is vitally important to the long-term sustainability of the Charity, and the impact it can make through the grants it awards.

The Charity operates a Total Return approach to investment, with power to spend both income and capital, provided the core endowment of the fund is maintained. The Charity has power under its Scheme to invest in stocks, shares, funds, securities and other property. The Trustees have appointed professional investment advisors, who advise on investment policy and strategy, asset allocation and the performance of managers.

### Investment Policy

The investment portfolio has the primary long-term objective of maximising sustainable spending from the portfolio in order to support grant-making. The secondary long-term objective is to maintain the real value of the fund in perpetuity after spending. The Charity currently aims to spend 4% of the portfolio in grant-making over the long-term and the portfolio has a goal of returning an annual return of CPI+4% over a rolling 5 year period.

It is recognised that in order to achieve the primary objective of sustaining a 4% spending rate over the long term, there will be periods of short-term volatility of investment returns. The investment strategy seeks to build a diversified portfolio that minimises the impact of short-term losses. Given the portfolio's strategic asset allocation and investment strategy it is understood that potential short-term losses are possible (in the order of losses up to 10-15% within a year, during a normal market cycle).



## Report of the Trustees

The Charity also recognises that there are several other forms of risk beyond short term volatility that need to be managed as part of the ongoing oversight monitoring process of the portfolio. These risks include the careful management of liquidity, the level of exposure to non-Sterling denominated assets, the level of overall leverage in the portfolio and risks associated with investing alongside investors with different goals.

The Charity has adopted the following policy in relation to Environmental, Social and Governance (ESG) issues, and has communicated the policy to all fund managers with whom it invests.

- We take ESG factors into account when we buy new managers and when assessing existing managers.
- We also review our direct equity investments held via tracker funds to assess which companies we may wish to exclude/engage with.
- We apply a materiality lens to any observations and judgements that we make.

The Trustees have excluded from our directly held investment portfolio companies who have significant involvement (greater than 10% of turnover) in the production or retailing of alcohol or tobacco, gambling or predatory lending. Companies with any involvement in the production or sale of indiscriminate weaponry are also excluded.

### Asset Allocation and Strategy

65% of the investment portfolio was allocated to growth assets during the year, to provide longer term returns, with the remaining 35% allocation invested in diversifying assets. Further details are given in note 9 to the accounts.

### Total Return Approach to Investing

The Charity operates a Total Return approach to investments, with freedom to invest the entire endowment with the aim of maximising total returns regardless of whether those returns accrue by way of income or capital growth.

### Investment Returns for 2020

Investment returns, net of fees, were almost £150m. Total returns for the portfolio for the year were 14.3% (2019: 14.8%) and outperformed the portfolio benchmark by 5.8%. Over the last 3 years the portfolio has exceeded its long-term benchmark of CPI + 4% by 4.4% per annum.

### Investment Costs

The Charity aims to maintain transparency over the total fees paid on investments and regularly reviews manager fees to ensure they are matched by performance. All investment performance is reported net of fees to enable us to monitor this closely and take corrective action where necessary.

We spent £13.9m (2019: £9.1m) on our investment fees and costs (excluding our private equity assets). This reflects both fees charged internally within the investment funds as well as fees and costs of £4.3m (2019: £4.1m) paid in cash during the year.

Of the £13.9m, £8.8m was for management of our investments in alternative assets such as hedge funds. These are more expensive than traditional long-only investments, but over time we have obtained good returns with lower volatility, which has more than compensated for the additional fee costs. Fee costs comprise ongoing fees generally set as a fixed percentage of the investment value and additional fees payable only if performance thresholds and hurdles are exceeded. The performance-related fees for our alternative investment assets amounted to £5.8m of the total expenditure, resulting from strong returns in 2020.

## Report of the Trustees

For our Private Equity investments, manager fees and profit share for these investments are set against the fund's investment gains as general running costs of these funds. For the sake of transparency we note that a notional proportion of manager fees and profits for this part of the portfolio, based on the Charity's share of fund investments, was equivalent to a base amount of £2.8m (2019: £3.7m) and a performance-related profit share element of £9.8m (2019: £6.1m). The size and increase in this element of the costs is due to the outstanding performance of this part of our portfolio.

### **"Core Endowment" (endowment funds)**

Under the Total Return approach, the Charity must ensure that the value of total endowment funds does not fall below the Core Endowment. The Core Endowment is fixed at £276m, representing the value of the endowment as at 31 December 1991. Endowment funds in excess of the Core Endowment are known as the Unapplied Total Return; these are the accumulated returns from which the Charity may make funds available for grant-making. For internal purposes the value of endowment funds is also compared to an inflation-adjusted measure of the Core Endowment.

The Charity's current policy is to transfer each year from the endowment funds, into the Main Unrestricted and Estates Restricted funds, 4.0% of the total value of the endowment as averaged over the previous 5 years (referred to as the "Distribution Rate"); these funds are then available for grant making and operations. These transfers are funded over time by the total investment returns achieved by the Charity's endowment. The Trustees review the Distribution Rate from time to time and adjust as necessary to take account of prevailing rates of investment return.

The movements in Unapplied Total Return for 2020 are shown in note 7 to the accounts. The Charity transferred £37.7 million into the Main Unrestricted and Estates Restricted funds, calculated at a 4.0% Distribution Rate. For 2021 the Trustees have agreed a transfer of 4.0%, amounting to £39.5 million. At 31 December 2020, the endowment funds of £1.2bn were well in excess of the Core Endowment.

### **Reserves (grant-making funds)**

The Trustees consider that the Charity's endowment funds provide sufficient flexibility should unforeseen circumstances arise to give an urgent need for additional grants or other spend, and the Trustees will consider additional spending from the endowment if the needs arises. This is in addition to the annual distribution policy, which currently provides for a 4% annual distribution. Given the unprecedented circumstances of the Covid pandemic, the Trustees have agreed to withdraw additional funds from the Endowment in 2021 and anticipate doing this until 2024 at the earliest.

The Trustees stated policy is that any unspent amounts from the annual investment distributions should be retained in grant-making funds and spent in future years. The Main Unrestricted fund balance stood at £1.4 million at the year-end and will be fully spent in 2021. The Estates Restricted fund balance, used solely for grants under the Parish programme, stood at £0.8 million at the year-end and will be spent in future years as opportunities for new and increased Parish grants are found.

### **Risk Management**

The Trustees formally review risk on an annual basis as well as when issues arise, and during the year adopted a new risk management framework to enable more effective risk management. The Trustees also meet the auditors during the year to discuss recommendations arising from their annual audit, which inform our approach.

The Trustees have reviewed areas of potential risk for the Charity and concluded that there are sufficient controls in place across the organisation.

## Report of the Trustees

One of the key risks identified is that of substantial investment losses, which would reduce the amount of money available for grant-making over the longer-term and hence the impact of the Charity through the grants it awards; to address this the Charity, assisted by its investment adviser, has built a diversified investment portfolio and has put processes in place to monitor cash flow and spending, which should minimise the potential for long term losses.

The investment portfolio has proved to be resilient through the Covid-19 crisis, and the Charity is monitoring other risks which have been heightened by the crisis. This includes business continuity in the event of disaster or other business interruption; a policy and action plan have been adopted to ensure adequate control of this risk and plans were enacted to ensure the ongoing operations of the Charity through the Covid-19 lockdown.

The Charity has been monitoring the performance of grants and the level of applications, as Covid-19 has proved very disruptive to many charities. The majority of the Charity's existing grants have continued to run, though changes to the objectives have been agreed for some grants in response to the changed environment. The level of grant applications remains strong but manageable.

Safeguarding is a key risk area, and a safeguarding policy and training plan are in place.

Work is ongoing with regards to Data Protection and the GDPR legislation. Key areas have been addressed, and work continues to maintain full compliance as the Charity's activities develop over time.

Staff wellbeing has been an area of priority during the Covid-19 pandemic. The Charity continues to monitor staff wellbeing, aiming to provide a supportive and safe working environment despite the difficulties that can arise with protracted working-from-home, along with specific support and tools where this can benefit individuals.

### **Preparation of the Accounts on a Going Concern Basis**

The Charity's normal practice is to distribute no more than 4% of assets annually calculated on a five-year rolling basis, and this was the case in 2020. On occasion, the Charity may make additional distributions, in which case an assessment of affordability and long-term sustainability is carried out, with advice from its investment advisor.

Total assets at 31 December 2020 were well in excess of the £276 million "core endowment" which must be preserved. The Trustees continue to consider the Charity to be a going concern and to prepare the accounts on this basis.

### **Remuneration of Key Management Personnel and Staffing**

The Trustees consider the Board of the Charity and the Senior Management Team (the Director, Head of Grants, Head of Grants Administration, Head of Learning and Evaluation, and Head of Finance & Resources) as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

No Trustees are remunerated by the Charity. Remuneration for the Senior Management Team is reviewed annually, with salary increases determined in light of inflation rates and affordability. Salary increases and remuneration levels are reviewed against other grant-making charities of a similar size and activity, to ensure remuneration is fair and not out of line with that generally paid for similar roles.

Average staff numbers increased to 31 in 2020 (2019: 28), as we continued to invest in grant-making capabilities to support our main grants strategy and the development and growth of other programmes. More details are given in note 6 of the accounts.

# Report of the Trustees

## Conflicts of Interest

From time to time the Charity makes grants to organisations with whom one or more of its Trustees is connected, typically as a trustee or member of staff. The Charity takes steps to ensure that decisions on these grants are made at arms-length, and in accordance with its policies for dealing with potential conflicts of interest

## Trading Subsidiary and Fundraising

The Charity established a trading subsidiary in 2016, Henry Smith Trading Ltd, to manage the grant making services it provided to the Trusthouse Charitable Foundation. These services were provided by a separate staff team housed within the Charity. The company was sold on 31 January 2020 and the services are now provided elsewhere. The subsidiary was wholly owned by the Charity, with a share capital of £100, but the results of the subsidiary are not consolidated within these accounts as the overall impact on the financial statements is immaterial. The subsidiary donated £2k under Gift Aid to the Charity in 2020.

The Charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

## The Charity's objects and activities for the public benefit

The Charity is constituted as two funds, the Main Fund and Estates Fund. The objects of the Main Fund of the Henry Smith Charity have been changed at various points over the years, while maintaining the spirit of Henry Smith's original bequest. The objects as currently stated in the Charity Commission Scheme of 5 April 2000 are as follows:

- For the relief of the poor kindred of Henry Smith;
- For hospitals, hospices and other forms of residential care or provision of health care for those who are sick or in need and for other institutions providing medical assistance for those in financial need;
- For the relief of poor, aged or sick persons and their spouses, widows, widowers and dependants;
- For the relief of poor, aged or sick members of the clergy and their spouses, widows, widowers and dependants;
- For the relief, rehabilitation and training of disabled persons including disabled ex-Servicemen and war widows;
- For any medical research;
- For the promotion of moral welfare or social service; and
- For the relief and rehabilitation of those persons who are or have been slaves or serfs and their dependants who are in need or distress or for preventing their seizure.

The objects of the Estates Fund of the Henry Smith Charity are as follows:

- For the relief of poor, aged or infirm in specified, historic parishes;
- For the relief of poor, aged or infirm elsewhere in England and Wales;
- For the benefit of hospitals or convalescent homes in the specified, historic parishes; and
- For the benefit of hospitals or convalescent homes elsewhere in England and Wales.

The Charity's objects provide the framework within which more detailed funding priorities are set; these priorities will change from time to time as needs change and the funding landscape shifts. Current priorities for the Charity's grant programmes are set out on the Charity's website.

## Report of the Trustees

In summary, the Charity aims to bring about lasting change to people's lives, helping them to benefit from and contribute to society. This is achieved by funding organisations that work with people to reduce social and economic disadvantage.

### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual 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 and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 the Trustees on 23 September 2021

Vivienne Dews  
Chair



## **Independent Auditor's Report to the Trustees of The Henry Smith Charity**

### **Opinion**

We have audited the financial statements of The Henry Smith Charity ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's income and receipt of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.



## **Independent Auditor's Report to the Trustees of The Henry Smith Charity**

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

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

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

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that 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 a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

## **Independent Auditor's Report to the Trustees of The Henry Smith Charity**

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charity's trustee, 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 trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

**Crowe U.K. LLP**  
Statutory Auditor

London

5 October 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



## Statement of Financial Activities for the Year Ended 31 December 2020

	Main Unrestricted Fund £'000	Estates Restricted Fund £'000	CMC Restricted Fund £'000	Endowment Funds £'000	2020 Total £'000	2019 Total £'000
<b>INCOME</b>						
Investment income (note 3)	-	-	-	10,038	10,038	11,907
Other income	27	-	2,000	-	2,027	129
Transfer to income (note 7)	36,852	848	-	(37,700)	-	-
<b>TOTAL INCOME</b>	<b>36,879</b>	<b>848</b>	<b>2,000</b>	<b>(27,662)</b>	<b>12,065</b>	<b>12,036</b>
<b>EXPENDITURE</b> (note 4)						
Expenditure on raising funds (investment costs)	-	-	-	13,882	13,882	9,111
<b>Charitable activities</b>						
Grant-making	38,661	855	2,000	-	41,516	33,909
<b>TOTAL EXPENDITURE</b>	<b>38,661</b>	<b>855</b>	<b>2,000</b>	<b>13,882</b>	<b>55,398</b>	<b>43,020</b>
Gains on investment and currency assets (note 9)	-	-	-	153,242	153,242	142,377
<b>NET MOVEMENT IN FUNDS</b>	<b>(1,782)</b>	<b>(7)</b>	<b>-</b>	<b>111,698</b>	<b>109,909</b>	<b>111,393</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2020</b>	<b>3,135</b>	<b>775</b>	<b>-</b>	<b>1,088,320</b>	<b>1,092,230</b>	<b>980,837</b>
<b>TOTAL FUNDS AT 31 DECEMBER 2020</b>	<b>1,353</b>	<b>768</b>	<b>-</b>	<b>1,200,018</b>	<b>1,202,139</b>	<b>1,092,230</b>

The notes on pages 26 to 37 form part of these accounts.

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year and there is no difference between the results for the year stated above and their historical cost equivalents.

## Balance Sheet as at 31 December 2020

	Main Unrestricted Fund £'000	Estates Restricted Fund £'000	CMC Restricted Fund £'000	Endowment Funds £'000	2020 Total £'000	2019 Total £'000
<b>FIXED ASSETS</b>						
Tangible Fixed Assets (note 8)	123	-	-	-	123	123
Investments (note 9)	43,307	-	-	1,200,306	1,243,613	1,126,616
Programme Related Investments (note 9)	-	-	-	16	16	16
<b>Total Fixed Assets</b>	<u>43,430</u>	<u>-</u>	<u>-</u>	<u>1,200,322</u>	<u>1,243,752</u>	<u>1,126,755</u>
<b>CURRENT ASSETS</b> Debtors (note 10)	780	-	1,000	592	2,372	621
Cash at bank	5,688	999	-	-	6,687	6,262
	<u>6,468</u>	<u>999</u>	<u>1,000</u>	<u>592</u>	<u>9,059</u>	<u>6,883</u>
<b>CREDITORS</b> Amounts falling due within one year (note 11)	(28,468)	(231)	(1,000)	(896)	(30,595)	(24,059)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>	<u>(22,000)</u>	<u>768</u>	<u>-</u>	<u>(304)</u>	<u>(21,536)</u>	<u>(17,176)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	21,430	768	-	1,200,018	1,222,216	1,109,579
<b>CREDITORS</b> Amounts falling due after one year (note 12)	(20,077)	-	-	-	(20,077)	(17,349)
<b>NET ASSETS</b>	<u>1,353</u>	<u>768</u>	<u>-</u>	<u>1,200,018</u>	<u>1,202,139</u>	<u>1,092,230</u>
<b>FUNDS</b>						
Main Endowment Fund	-	-	-	1,172,758	1,172,758	1,063,676
Estates Endowment Fund	-	-	-	27,260	27,260	24,644
Main Unrestricted Fund	1,353	-	-	-	1,353	3,135
Estates Restricted Fund	-	768	-	-	768	775
CMC Restricted Fund	-	-	-	-	-	-
<b>TOTAL FUNDS AT 31 DECEMBER 2020</b>	<u>1,353</u>	<u>768</u>	<u>-</u>	<u>1,200,018</u>	<u>1,202,139</u>	<u>1,092,230</u>

Approved by the Trustees on 23 September 2021 and signed on their behalf by:

*V M Dews*

Vivienne Dews  
Chair

*B. Kernighan*

Ben Kernighan  
Trustee

The notes on pages 26 to 37 form part of these accounts.

## Cashflow Statement for the Year Ended 31 December 2020

	2020 £'000	2019 £'000
<b>Net cash used in operating activities (note 16)</b>	<b>(37,021)</b>	<b>(32,689)</b>
<b>Cash flows from investing activities</b>		
Investment Income received	9,178	11,987
Payments for Investment Management and advice	(4,365)	(4,122)
Purchase of tangible fixed assets	(43)	(69)
Cash withdrawn from fixed asset investments to fund operating costs	32,676	24,434
Repayment of social investments	-	4
<b>Net cash provided by investing activities</b>	<b>37,446</b>	<b>32,234</b>
<b>Change in cash and cash equivalents in the year</b>	<b>425</b>	<b>(455)</b>
Cash and cash equivalents at 1 January 2020	6,262	6,717
<b>Cash and cash equivalents at 31 December 2020</b>	<b>6,687</b>	<b>6,262</b>

The notes on pages 26 to 37 form part of these accounts.

# Notes to the Accounts

## 1. CHARITY INFORMATION

The Charity (registered no. 230102) is a public benefit entity established in the UK as a Trust governed by a Scheme of the Charity Commissioners dated 5 October 2000. It operates from its principal place of business, 65 Leadenhall Street, London EC3A 2AD.

## 2. ACCOUNTING POLICIES

### Basis of Preparation

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain fixed asset investments, and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities effective from 1 April 2005 which has since been withdrawn.

Trustees have considered the impact of the Covid-19 pandemic on the Charity's activities and resources. Effects of the crisis on investment performance and grant making activities have been reviewed and included in our risk management framework. These factors have been considered alongside relevant forecasts and budgets and trustees are not aware of any material uncertainties surrounding the Charity's ability to continue as a going concern.

During 2016 a trading subsidiary, Henry Smith Trading Limited, was established with a share capital of £100, company number 10153657 and registered address at 65 Leadenhall St, London, EC3A 2AD, and was wholly owned by the Charity until its sale on 31 January 2020. The results of the trading subsidiary are not consolidated as the impact on the financial statements is immaterial. More details are given in note 9.

### Funds

The Charity's Funds include two permanent endowments. The Main Endowment Fund may be used to support all the Charity's objects. The Estates Endowment Fund may only be used to support charitable activities in specified, historic parishes in England. The assets of both funds are pooled and managed as a single investment portfolio; investment returns are allocated in proportion to the Funds' asset values. The Estates Restricted Fund reflects funds made available from the Estates Endowment Fund for grant-making which are not yet spent.

The CMC Restricted Fund represents funding provided by DMCS for grant-making to address the impact of the Covid-19 pandemic. £2m was received from DCMS and awarded in grants during the year. A further £2m of grants, matching the DCMS-funded grants, were funded from the Charity's Unrestricted Fund.

The Charity also holds funds to cover the costs of managing legacy activities related to the Equitable Charitable Trust. Once these legacy activities are completed any remaining funds will be made available for grant-making. At 31 December 2020 £151k was held within endowment funds for this purpose.

### Income

Dividends are recognised as receivable when a security is listed as ex-dividend. Income from fixed interest investments is recognised when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank or investment fund. Other investment income is recognised when notified as payable to the Charity by the relevant fund managers. Other income includes fees for administration services provided to Henry Smith Trading Limited and is recognised in line with the service provided.

## Notes to the Accounts

### Expenditure

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure. Grants, both single and multi-year, are recognised in the accounts as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled within the control of the Charity. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

### Expenditure on raising funds

Expenditure on raising funds includes the direct costs paid to service providers for managing the investment assets, the direct costs of activities including staff salaries and other expenditure, and an allocation of related support costs. Support costs are allocated according to an estimate of the proportional usage across different activities supported, generally on a staff time basis.

### Charitable activities

The cost of charitable activities consists of grants awarded, the direct costs of grant making activities including staff salaries and other expenditure, and an allocation of related support costs.

### Investments

Marketable investment assets are included in the financial statements at their fair values, either at closing market prices (listed investments) or through independent valuation (unlisted direct property) or from valuations provided by the investment manager (unlisted hedge funds, private equity and indirect property). Cash held for investment purposes is included within investments. The Charity enters into forward currency contracts to reduce currency exposure in its investment portfolio. The basis of fair value of these forward exchange contracts is estimated by using the gain or loss that would arise from closing the contract at the balance sheet date. All investment and currency gains and losses are recognised as incurred.

### Pensions

The Charity operates a defined contribution scheme. Contributions payable to the scheme are included as expenditure in the period in which the Charity receives the related services from the employees.

### Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities or Fixed Assets within the expenditure to which it relates.

### Fixed assets

Leasehold improvements are included at cost and depreciated on a straight-line basis over the remaining term of occupation of the Charity's premises. Fixtures, fittings and equipment are included at cost and depreciated on a straight-line basis over 4 years. Assets below £1,000 in cost are not capitalised. The cost of assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

### Operating leases

Rental costs of operating leases where the Charity is a lessee are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Rental income from operating leases where the Charity is a lessor is recognised on a straight-line basis over the term of the relevant lease.

## Notes to the Accounts

### Key judgements and assumptions

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Valuation of investment properties – these are stated at their estimated fair value based on professional valuations as disclosed in note 9. Commercial Property valuations are prepared by applying an investment yield to the appropriate rental income stream, having regard to the individual asset fundamentals, including inter alia, location, lease length and tenant covenant strength. The relevant investment yield and rental values are determined principally through the use of comparative data.

Valuations for Rural Estates properties let on Assured Shorthold, Farm Business or protected residential tenancies are calculated by applying a discount to the vacant possession value to reflect the degree to which vacant possession is not immediately available. Valuations for properties let under the Agricultural Holdings Act 1986 are prepared by making an assessment of the estimated rental value of the properties, as compared to the current rent passing, and applying to the estimated rental value a valuation yield to reflect the individual characteristics of the property.

Valuation of private equity investments – these are stated at their estimated fair value based on valuations carried out by the fund managers.

### Financial instruments

The Charity 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 amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

### 3. INVESTMENT INCOME

	2020 £'000	2019 £'000
Equities	3,189	5,038
Fixed Income	290	457
Property	6,559	6,412
	<u>10,038</u>	<u>11,907</u>

## Notes to the Accounts

### 4. EXPENDITURE

	Expenditure on Raising Funds £'000	Grant- making £'000	Governance £'000	Total 2020 £'000	Total 2019 £'000
<b>Grants awarded (note 5)</b>	-	<b>39,205</b>	-	<b>39,205</b>	31,706
<b>Direct costs</b>					
Direct property costs	2,029	-	-	2,029	929
Investment management, administration and advice	11,704	-	-	11,704	8,041
Staff costs (note 6)	82	894	92	1,068	993
Auditors' remuneration	-	-	40	40	36
Other costs	-	91	42	133	210
	<u>13,815</u>	<u>40,190</u>	<u>174</u>	<u>54,179</u>	<u>41,915</u>
<b>Support costs</b>					
Staff costs (note 6)	17	472	7	496	483
Premises and office services	50	651	22	723	622
	<u>67</u>	<u>1,123</u>	<u>29</u>	<u>1,219</u>	<u>1,105</u>
<b>Total expenditure</b>	<u><b>13,882</b></u>	<u><b>41,313</b></u>	<u><b>203</b></u>	<u><b>55,398</b></u>	<u><b>43,020</b></u>

### 5. GRANTS AWARDED

	2020 £'000	2019 £'000
Grants to organisations	38,380	30,646
Grants to individuals	1,321	1,371
Grants returned or cancelled	(496)	(311)
<b>Total Grants Awarded</b>	<u><b>39,205</b></u>	<u><b>31,706</b></u>

Further analysis of our main grant awards is given in the Trustees' Report and a full listing of grants awarded to organisations is available on our website. This information has not been audited.

## Notes to the Accounts

### 6. STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries costs	1,227	1,166
Social security costs	138	118
Pension costs	131	125
Other benefits	68	67
	<u>1,564</u>	<u>1,476</u>
The average number of employees		
Generating Funds	1.00	1.00
Grant-making	29.00	26.00
Governance	1.00	1.00
<b>Total</b>	<u><b>31.00</b></u>	<u><b>28.00</b></u>

The number of employees with emoluments greater than £60,000

£110,000-£120,000	1	1
£80,000-£90,000	1	1
£60,000-£70,000	1	1

No pension contributions were outstanding at the year end.

Total remuneration for key management personnel for the year amounted to £469,000 (2019: £463,000).

### 7. MOVEMENT IN UNAPPLIED TOTAL RETURN

The overall movement in unapplied total return in the year was as follows:

	2020 £'000	2019 £'000
<b>Unapplied total return at 1 January 2020</b>	<b>812,320</b>	<b>702,877</b>
Add: Income received	10,038	11,977
Less: Costs of raising funds	(13,882)	(9,111)
Add : Investment gains	153,242	142,377
Unapplied total return before transfer to income	<u>961,718</u>	<u>848,120</u>
Less: transfer to income	<u>(37,700)</u>	<u>(35,800)</u>
<b>Unapplied total return at 31 December 2020</b>	<b>924,018</b>	<b>812,320</b>
Add: core endowment	276,000	276,000
<b>Endowment assets at 31 December 2020</b>	<u><b>1,200,018</b></u>	<u><b>1,088,320</b></u>



## Notes to the Accounts

The Charity is permitted to adopt a total return approach to its investments by Order of the Charity Commissioners for England and Wales dated 20<sup>th</sup> December 2006.

### 8. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost at 1 January 2020	161	264	425
Additions	49	-	49
Disposals	-	(6)	(6)
Cost at 31 December 2020	<u>210</u>	<u>258</u>	<u>468</u>
Accumulated depreciation at 1 January 2020	73	229	302
Depreciation charged in the year	38	5	43
Accumulated depreciation at 31 December 2020	<u>111</u>	<u>234</u>	<u>345</u>
<b>Net Book Value at 31 December 2020</b>	<u><b>99</b></u>	<u><b>24</b></u>	<u><b>123</b></u>
Net Book Value at 31 December 2019	<u>88</u>	<u>35</u>	<u>123</u>

### 9. INVESTMENTS

	2020 £'000	2019 £'000
Listed Investments	355,177	332,783
Unlisted Investments	629,414	534,205
Investment Properties	196,386	201,947
Cash and other balances	62,636	57,681
<b>Total Investments</b>	<u><b>1,243,613</b></u>	<u><b>1,126,616</b></u>

The movement in market value of investments (excluding cash and other balances) was as follows:

	2020 £'000	2019 £'000
<i>Listed Investments</i>		
Market Value at 1 January 2019	332,783	355,786
Investment gains/(losses) net of fees	33,842	47,459
Additions	1,933	118,244
Disposals	(13,381)	(188,706)
<b>Market Value at 31 December 2020</b>	<u><b>355,177</b></u>	<u><b>332,783</b></u>

## Notes to the Accounts

### *Unlisted Investments*

Market Value at 1 January 2020	534,205	420,258
Investment gains net of fees	121,452	65,929
Additions	61,555	160,856
Disposals	(87,798)	(112,838)

<b>Market Value at 31 December 2020</b>	<b>629,414</b>	<b>534,205</b>
---	----------------	----------------

### *Investment Properties*

Market Value at 1 January 2020	201,947	176,593
Investment gains/(losses) net of fees	(4,434)	26,741
Additions	336	-
Disposals	(1,463)	(1,387)

<b>Market Value at 31 December 2020</b>	<b>196,386</b>	<b>201,947</b>
---	----------------	----------------

Total gains were made up as follows:	2020	2019
	£'000	£'000

Gains on investment assets	159,042	144,978
Other currency (losses)/gains	(5,800)	(2,601)

<b>Investment and currency gains</b>	<b>153,242</b>	<b>142,377</b>
--------------------------------------	----------------	----------------

The market value of listed investments at the year-end was £355m (2019: £333m). None of these were UK-only investments (2019: Nil). The historical cost of listed investments was £246m (2019: £253m).

	2020	2019
	£'000	£'000
Programme Related Investments	<b>16</b>	<b>16</b>

At 31 December 2020 the Charity had nine foreign exchange forward contracts open in eight currencies, with a notional sterling asset of £13.5 million. These contracts were entered into to mitigate the currency risk of being a UK based charity while holding global equity and hedge fund assets in local currencies. These foreign exchange forward contracts have all been revalued at the applicable year-end rates and the resulting unrealised gains are included within the overall value of the investments above. The settlement date for the contracts ranged from 31 January 2021 to 30 June 2021.

The Charity's direct holdings in property were valued at 31 December by currently Registered RICS Valuers employed by the Charity's property advisers, and in accordance with the RICS Valuation – Professional Standards (January 2014) published by the Royal Institution of Chartered Surveyors.

## Notes to the Accounts

The Charity has committed to fund up to a further £103m of capital calls from private equity funds. These calls will be funded from the sale of liquid assets across the investment portfolio, and from distributions from private equity funds.

During the year the Charity held 100 ordinary shares, comprising 100% of the share capital, in Henry Smith Trading Limited whose registered office was at 65 Leadenhall St, London, EC3A 2AD. The company was sold on 31 January 2020. £2,000 was donated to the Charity under Gift Aid during 2020.

### 10. DEBTORS

	2020 £'000	2019 £'000
Rents receivable	1,199	311
Other debtors	1,002	69
Prepayments	171	241
	<b>2,372</b>	<b>621</b>

### 11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Grants payable	29,603	22,144
Accruals	698	1,632
Rental income in advance	294	283
	<b>30,595</b>	<b>24,059</b>

Movements in rental income in advance were as follows:

Balance brought forward at 1 January 2020	283
Released to income in the year	(283)
Deferred in the year	294
Balance carried forward at 31 December 2020	<b>294</b>

### 12. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £'000	2019 £'000
Grants payable	19,910	17,164
Accruals and provisions	167	185
	<b>20,077</b>	<b>17,349</b>

## Notes to the Accounts

### 13. MATURITY OF FINANCIAL LIABILITIES

	2020 £'000	2019 £'000
In one year or less, or on demand	30,595	24,059
In more than one year, but not more than two years	14,275	12,561
In more than two years, but not more than five years	5,709	4,675
In more than five years	93	113
	<u>50,672</u>	<u>41,408</u>

The movement in grants payable during the year was as follows:

	2020 £'000	2019 £'000
Grants payable at 1 January 2020	39,308	35,982
Grants awarded	39,701	32,017
Cancelled grants	(496)	(311)
Payments made	(29,000)	(28,380)
<b>Market Value at 31 December 2020</b>	<u><b>49,513</b></u>	<u><b>39,308</b></u>

### 14. RELATED PARTY TRANSACTIONS

Expenses of £425 (2019: £3,964) were reimbursed to one Trustee during the year (2019: four) to cover travel and other related costs incurred by them in fulfilment of their duties. The Trustees received no remuneration during the year or in the previous year.

Annual subscription, grant awards, conference and training expenses totalling £32,170 were paid during the year (2019: £13,058) to the Association of Charitable Foundations, of which N Acland, Director of The Henry Smith Charity, is a Trustee.

During the year costs of £12k (2019: £52k) from the Charity were recharged to Henry Smith Trading Limited in relation to its management and administration. D Allam and V Dews, Trustees of The Henry Smith Charity, and N Acland, Director of The Henry Smith Charity, were also Directors of Henry Smith Trading Limited until its sale in January 2020.

## Notes to the Accounts

### 15. OPERATING LEASE COMMITMENTS

At year-end the Charity held a lease for its premises expiring in March 2026. Rental payments amounted to £220,000 in 2020 and are contracted to be £191,000 per annum until the end of the lease term.

At year-end the Charity held rental leases on its investment properties under which payments are receivable until lease expiry or term of notice as follows:

Year	Payments receivable in year £000
2021	1,632
2022	3,340
2023	611
2024	1,208
2025 and subsequently	44,804

The total payments receivable under rental leases at 31 December 2020, until expiry or term of notice for all leases, was £51.6 million.

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

	2020 £'000	2019 £'000
Net movement in funds	109,909	111,393
Investment gains	(153,242)	(142,377)
Investment income and deposit interest	(10,065)	(11,966)
Investment management and advice	13,733	8,970
Depreciation	43	33
Decrease/(increase) in debtors	(863)	329
Increase in creditors	9,264	3,530
Currency (losses)/gains	(5,800)	(2,601)
<b>Net cash flow from operating activities</b>	<b>(37,021)</b>	<b>(32,689)</b>

## Notes to the Accounts

### 17. STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR

	Main Unrestricted Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2019 Total £'000	Restated 2018 Total £'000
<b>INCOME</b>					
Investment income (note 3)	-	-	11,907	11,907	12,986
Other income	59	-	70	129	116
Transfer to income (note 7)	34,995	805	(35,800)	-	-
<b>TOTAL INCOME</b>	35,054	805	(23,823)	12,036	13,102
<b>EXPENDITURE</b> (note 4)					
Expenditure on raising funds (investment costs)	-	-	9,111	9,111	7,677
<b>Charitable activities</b>					
Grant-making	33,309	600	-	33,909	33,640
<b>TOTAL EXPENDITURE</b>	33,309	600	9,111	43,020	41,317
Gains/(losses) on investment and currency assets (note 9)	-	-	142,377	142,377	(1,890)
<b>NET MOVEMENT IN FUNDS</b>	1,745	205	109,443	111,393	(30,105)
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2019</b>	1,390	570	978,877	980,837	1,010,942
<b>TOTAL FUNDS AT 31 DECEMBER 2019</b>	3,135	775	1,088,320	1,092,230	980,837

## Notes to the Accounts

### 18. BALANCE SHEET FOR PRIOR YEAR

	Main Unrestricted Fund £'000	Estates Restricted Fund £'000	Endowment Funds £'000	2019 Total £'000	2018 Total £'000
<b>FIXED ASSETS</b>					
Tangible Fixed Assets (note 8)	123	-	-	123	87
Investments (note 9)	37,644	-	1,088,972	1,126,616	1,010,921
Programme Related Investments (note 9)	-	-	16	16	20
<b>Total Fixed Assets</b>	<b>37,767</b>	<b>-</b>	<b>1,088,988</b>	<b>1,126,755</b>	<b>1,011,028</b>
<b>CURRENT ASSETS</b>					
Debtors (note 10)	197	-	424	621	970
Cash at bank	5,306	956	-	6,262	6,717
	<b>5,503</b>	<b>956</b>	<b>424</b>	<b>6,883</b>	<b>7,687</b>
<b>CREDITORS</b>					
Amounts falling due within one year (note 11)	(22,786)	(181)	(1,092)	(24,059)	(24,692)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>	<b>(17,283)</b>	<b>775</b>	<b>(668)</b>	<b>(17,176)</b>	<b>(17,005)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>20,484</b>	<b>775</b>	<b>1,088,320</b>	<b>1,109,579</b>	<b>994,023</b>
<b>CREDITORS</b>					
Amounts falling due after one year (note 12)	(17,349)	-	-	(17,349)	(13,186)
<b>NET ASSETS</b>	<b>3,135</b>	<b>775</b>	<b>1,088,320</b>	<b>1,092,230</b>	<b>980,837</b>
<b>FUNDS</b>					
Main Endowment Fund	-	-	1,063,676	1,063,676	956,758
Estates Endowment Fund	-	-	24,644	24,644	22,119
Main Unrestricted Fund	3,135	-	-	3,135	1,390
Estates Restricted Fund	-	775	-	775	570
<b>TOTAL FUNDS AT 31 DECEMBER 2019</b>	<b>3,135</b>	<b>775</b>	<b>1,088,320</b>	<b>1,092,230</b>	<b>980,837</b>