THE UNDERWOOD TRUST

England & Wales · Charity number 266164

Details

Status	Registered
Legal form	Trust
Registered	1973-08-31
Register	View on the Charity Commission register

Contact

Address	20 York Street London W1U 6PU
Phone	020 7486 0100
Email	michelej@taylorclark.co.uk
Website	www.theunderwoodtrust.org.uk

Activities

Objects: DURING THE LIVES OF THE FOUNDERS TO SUCH CHARITIES OR FOR SUCH CHARITABLE PURPOSES AS THE FOUNDERS OR THE SURVIVOR OF THEM MAY DIRECT OR IN DEFAULT OF ANY DIRECTION AS THE TRUSTEES AT THEIR UNCONTROLLED DISCRETION DETERMINE. AFTER THE DEATH OF THE SURVIVOR OF THE FOUNDERS FOR SUCH CHARITABLE PURPOSES AS THE TRUSTEES AT THEIR UNCONTROLLED DISCRETION DETERMINE HAVING REGARD TO ANY DIRECTIONS OR WISHES EXPRESSED BY THE FOUNDERS IN THEIR LIFETIMES.

Activities: The aims of the Charitable Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

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Geography

- Antarctica
- Haiti
- India
- Philippines
- Ukraine
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£1,396,274	£773,854	£35,373,656	0
2024-04-05	£1,400,900	£1,728,220	£34,420,129	0
2023-04-05	£1,635,235	£1,565,383	£33,753,384	2
2022-04-05	£17,662,733	£1,357,623	£35,337,626	2
2021-04-05	£963,049	£677,872	£17,748,578	2

Trustees

Name	Role	Appointed
BRIONY JANE WILSON		2007-07-02
RICHARD BENNISON		2013-04-24

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THE UNDERWOOD TRUST

England & Wales - Charity number 266164

Accounts

Registered charity number 266164

THE UNDERWOOD TRUST

Financial Statements
for the year ended

5 April 2025

THE UNDERWOOD TRUST

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Trustees' annual report

The trustees have pleasure in presenting their report together with the financial statements for the year ended 5 April 2025.

Objectives and activities for the public benefit

The aims of the Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

For disclosure purposes grants are categorised under the following headings.

- Medicine and Health
- Education and The Arts
- Social Welfare
- The Environment and Wildlife

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting grant making policy.

Most of the grants are made to registered charities and so the trustees are confident they will further a charitable purpose to the public benefit. On the few occasions where grants are made to non-registered charitable organisations the trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately.

The trustees seek feedback on the actual use of the grants given on how the grant was spent and achievements made. This approach is considered sufficient for monitoring the quality of the grants made. In any grant making there is always a necessary degree of trust that the application is honest and that the recipient will use the funds wisely. A personal knowledge of the recipient of the larger grants is therefore a key part of the Trust's approach to grant making.

The trustees have decided to give annual support to a number of charities and proactively seek out certain projects. This restricts the funds available for general applications and as such the Trust is closed to unsolicited applications.

Grant making policy and the application process

The Trust is granted wide powers to distribute funds for charitable purposes by the trust deed, having regard to any directions or wishes expressed by the founders in their lifetimes. The trustees have the power to make grants from the expendable endowment.

The application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision, including ensuring there is a clear public benefit. The Trust has a website containing general information about the Trust, together with details of our grant eligibility guidelines and an application form. All applicants must complete this form in order for their request to be further considered.

The website address is: www.theunderwoodtrust.org.uk

Trustees' annual report *(continued)*

All applications are reviewed by the trust manager on the basis of the policy set by the trustees. Final payment decisions are taken by the trustees.

The Trust will generally not fund:

- Individuals directly
- Political activities
- Commercial ventures or publications
- The purchase of vehicles including minibuses
- Overseas travel, holidays, and expeditions

Achievements and performance

Grant expenditure

Grant expenditure during the year was £747,500 and comprised a total of 27 grants or donations made to 25 beneficiaries. A list by recipient of the grant expenditure in the year is given in note 3. This compares with 28 grants or donations to 25 beneficiaries totalling £1,686,258 made during the year ended 5 April 2024.

The following summary gives a flavour of the types of projects funded in the year.

Medicine and Health

During the year a further £150,000 was made to the Bristol Speech Language Therapy Research Unit (BSLTRU) for the agreed 'legacy project' to reinforce BSLTRU as a leading speech and language therapy research unit both in the UK and globally.

Key achievements for the year 2024/2025:

- A milestone was achieved with the 12,000th participant recruited to the Cleft Collective. The Cleft Collective is a clinical cohort study which means it recruits participants from hospitals and collects data on them over time. The data can then be used by researchers to address a wide range of questions which can lead to improvements in clinical care.
- Data from the Cleft Collective has been used to identify new genes which are involved in cleft lip and palate. Children born with cleft palate are at high risk of lifelong speech disorder so identifying new genes means research can start as to how these genes might be activated and cause clefts.
- A specialist speech clinic has been established. This clinic sees children who have persistent and complex speech disorder. Typically, the children will have had a lot of speech and language therapy already, but they have stopped making progress. Without clear speech, many children do worse at school and struggle with friendships. The clinic is using new technology including ultrasound scanning to identify new approaches to treating speech disorder in these children.
- The team at BSLTRU have supported aspiring researchers in speech and language therapy. Over the past year, members of the team have supported four speech and language therapists to success in fellowship funding and are supporting another three who have interviews in the near future. A fellowship is the first step to becoming a researcher in speech and language therapy and helping to discover the best treatments for individuals who live with communication impairment.

Trustees' annual report *(continued)*

During the year grants of £45,000 were made to STAMMA a charity whose mission is to stand up for and empower those who stammer and challenge discrimination. The first grant of £20,000 is the second year of support for the Outreach and Training programme which focuses on delivering training to employers across a range of sectors, by creating written guides and training videos, running tailored workshops, and delivering conferences across different industries. The second grant of £25,000 funded core costs at the charity.

Three other grants totalling £75,000 were made. All of these were to charities where the Trust has given long term support.

Education and the Arts

A grant of £25,000 was made to Stage One which through their bursary scheme offers educational, financial, and mentoring development to new producers. This is the 18th consecutive year the Trust has supported the scheme.

A grant of £25,000 was made to Music for Youth who encourage and support young musicians in their artistic journey. They offer education and inspiration through a range of opportunities both within and beyond the formal music education sector: participation in professionally produced events on world class stages; mentoring by professional musicians; participation in workshops and masterclasses. This is the 24th consecutive year the Trust has supported the programme.

Four other grants were made totalling £87,500. All of these were to charities where the Trust has given long term support.

Social Welfare

During the year £50,000 of donations were made to the British Red Cross and comprised of two separate donations. A donation of £25,000 was made to the Middle East Crisis and a donation of £25,000 was made to the Myanmar Earthquake Appeal. This funding helped those most affected by these events by allowing staff and volunteers to provide vital medical services, psychosocial support, water, sanitation and hygiene, livelihood assistance, housing, and shelter.

A new grant of £25,000 was made to Empire Fighting Chance who are a charity that target the UK's most vulnerable young people aged 18 to 25 from deprived neighbourhoods. They have created a unique approach that uses a powerful combination of non-contact boxing and intensive personal support to challenge and inspire young people to realise their individual potential.

A new grant of £25,000 was made to Missing People who are the only UK charity dedicated to reconnecting missing people and their loved ones. They offer support to people affected by a disappearance with services including family support, counselling, and specialist services for issues related to missing such as exploitation and County Lines.

A new grant of £20,000 was made to Mikeysline who are a grassroots mental health and crisis centre based in the Highlands of Scotland. The strategy is to work closely with communities, workplaces and schools to challenge the stigma around mental health and suicide through their 'Bee the Change campaign' with the aim of changing the dialogue around mental health and suicide, making it easier for people to reach out for support when they need to.

Trustees' annual report *(continued)*

Nine other grants totalling £195,000 were made. All of these were to charities where the Trust has given long term support.

The Environment and Wildlife

A grant of £25,000 was made to Brooke who are an international charity that protects and improves the lives of working horses, donkeys and mules which give people in the developing world the opportunity to work their way out of poverty. The is the 13th consecutive year the Trust has supported the charity in various initiatives.

Financial review

The total incoming resources for the year were £1,396,274 *(2024: £1,400,900)*.

The largest source of income are the dividends received from Taylor Clark Limited of £734,199 *(2024: £786,169).* Followed by distributions of £640,185 *(2024: £609,457)* received from the Trust's investment in twelve listed equity funds and finally interest on deposits earned £21,890 *(2024: £5,274).*

Investment gains in the year on the listed investments were £331,107 *(2024: increased £871,863)*

Investment strategy and risk

The investment objective is to provide a reasonable level of income together with capital growth, sufficiently protecting the funds against inflation, enabling the Trust to meet its short-term grant making commitments. This will be achieved by investing primarily in UK Equity funds. However, these funds may also invest in other asset classes and instruments.

Currently the portfolio comprises twelve equity funds. Eleven of these investments are managed by Rathbones Wealth & Investment and one by Troy Asset Management Ltd. Investment performance is regularly reviewed, and an active relationship maintained with the fund managers to mitigate investment risk.

There are many risks that may affect the long-term sustainability of the investments including inflation, interest rates, and political and economic uncertainty. The Trust deed grants the trustees wide powers of investment allowing assets to be invested in a variety of asset classes to alleviate against these risk factors. Asset classes could include cash, bonds, equities, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable for the Trust.

The total return on the investments is £8,157,530 equivalent to a compound annual return of 4.0%, which exceeds the target return of 3.0%.

In addition, the Trust will continue to hold the Taylor Clark Ordinary 'B' shares gifted as part of Mr C Clark's estate on 4 May 2021 as these provide a substantial and sustainable dividend income stream. Historically, The Underwood Trust was originally almost entirely endowed by gifts and bequests of Taylor Clark Limited shares. As an unquoted company, there is no open market for these shares.

Currently there is no specific social, environmental, or ethical investment policy regarding the investments.

Trustees' annual report *(continued)*

Reserves policy

The investments of the Trust have been treated as an expendable endowment, as under the Trust deed the trustees have the power to distribute these funds. The resources expended in the year are less than incoming resources by £622,420 *(2024: deficit £327,320)*. The trustees have decided to transfer the balance on the unrestricted income fund to the expendable endowment.

The trustees consider the balance of funds should still be designated as an expendable endowment.

At the year-end these reserves were £35,373,656 *(2023: £34,420,129)*.

At the year-end £nil *(2024: £Nil)* of unrestricted funds were retained.

In the event of there being a surplus of unrestricted funds the trustees aim to have distributed all the available funds from the preceding year within six months of the year end and distribute a substantial amount of the current year's income within the year.

Future plans

The trustees' key objective is to make grants to support projects within the four priority areas, and to continue funding, where appropriate, many of the organisations where there are already established long term relationships.

Structure, governance, and management

The Underwood Trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973. The founders of the Trust were Robert Clark and Mary B L Clark.

The trust deed was amended using the statutory powers as set out in the Charities Act 2011 and accepted by The Charity Commission on 3 October 2024.

The power of appointing new or additional trustees was vested in the founders during their joint lives and in the survivor during their life. Thereafter, the statutory power of appointing new trustees applies. New trustees are found from the contacts and networks of existing trustees. When a new trustee joins the board, they are provided with a pack of information including a copy of the trust deed, the most recent accounts, minutes of recent trustees' meetings, and are made aware of the information and support for trustees available on the Charity Commission website.

The trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity. Where appropriate, the Trust supports the training of trustees including, for example, attendance at seminars organised by the Trust's professional advisers and by the Association of Charitable Foundations and the Charity Finance Group.

The trustees are required to meet at least twice a year; at these meetings the trustees agree the broad strategy for the Trust, including consideration of grant making, investment, reserves, and risk management policies. The day-to-day administration is delegated to the trust manager who has regular contact with the trustees following her initial processing and appraisal of applications.

The names of the trustees at the date of this report and throughout the year are shown on page 7.

Trustees' annual report *(continued)*

The trustees have considered the major risks faced by the Trust and have reviewed those risks and established systems and procedures to manage and mitigate them.

The day-to-day administration of the Trust is managed by the staff of Taylor Clark Limited, under an agreement with the Charity Commission. The fee charged for this is shown in note 5. The trustees consider this is the most cost-effective way of running the Trust, as to set up an independent office and staff would incur far higher costs.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 and 10 respectively.

Reference and administrative information

Trustees	Richard Bennison FCA - Chairman Briony Wilson
Registered office	Ground Floor 20 York Street London W1U 6PU
Registered charity number	266164
Trust manager	Michele Judge ACMA
Bankers	Virgin Money 154 – 158 Kensington High St, London W8 7RL
Auditor	David Owen & Co 17 The Market Place, Devizes, Wiltshire SN10 1HT
Investment managers	Troy Asset Management Ltd 33 Davies Street, London W1K 4BP Rathbones Wealth & Investment Management 30 Gresham Street, London EC2V 7QN

Trustees' annual report *(continued)*

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

Auditor

A resolution to re-appoint David Owen & Co as the Trust's auditor will be proposed at the next trustees meeting.

Approved by the trustees and signed on their behalf

R Bennison
Trustee

28 July 2025

Independent auditor's report to the trustees of The Underwood Trust

Opinion

We have audited the financial statements of The Underwood Trust (the 'charity') for the year ended 5 April 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 5 April 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities (on page 8), 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011 and applicable accounting standards.

- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.

- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: misappropriation of cash and other assets.

- We critically reviewed judgements and provisions included within the financial statements and examined the associated cut-off issues.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the trustees about actual and potential litigation and claims.

- We obtained independent confirmations from your bank regarding balances at the year-end in addition to any outstanding charges.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Owen & Co
Chartered Accountants
Statutory Auditor

17 The Market Place
Devizes
Wiltshire
SN10 1HT

David Owen & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

28 July 2025

THE UNDERWOOD TRUST

Statement of financial activities
Including income and expenditure account
For the year ending 5 April 2025

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2025 Total Funds £**	2024 Total Funds £
Income					
Investment income	2	1,396,274	-	**1,396,274**	1,400,900
Total income		1,396,274	-	**1,396,274**	1,400,900
Expenditure					
Raising funds:					
Investment management costs		597	-	**597**	603
Charitable activities:					
Grant expenditure	3	747,500	-	**747,500**	1,686,258
Grant related support costs	5	10,009	-	**10,009**	25,777
Governance costs	5	15,748	-	**15,748**	15,582
Cost of grant making		773,257	-	**773,257**	1,727,617
Total expenditure		773,854	-	**773,854**	1,728,220
Net income / (expenditure)		622,420	-	**622,420**	(327,320)
Transfer between funds	6	(622,420)	622,420	**-**	-
		-	622,420	**622,420**	(327,320)
Net gains / (losses) on investments					
Unrealised	7	-	331,107	**331,107**	871,863
Realised	11	-	-	**-**	122,202
		-	331,107	**331,107**	994,065
Net movement in funds		-	953,527	**953,527**	666,745
Reconciliation of funds					
Total funds brought forward		-	34,420,129	**34,420,129**	33,753,384
Total funds carried forward		-	35,373,656	**35,373,656**	34,420,129

Statement of financial activities (continued)
Including income and expenditure account
For the year ending 5 April 2025

Comparative year information **Year ended 5 April 2024**	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2024 Total Funds** **£**
Income				
Investment income	2	1,400,900	-	**1,400,900**
Total income		1,400,900	-	**1,400,900**
Expenditure				
Raising funds:				
Investment management costs		603	-	**603**
Charitable activities:				
Grant expenditure	3	1,686,258	-	**1,686,258**
Grant related support costs	5	25,777	-	**25,777**
Governance costs	5	15,582	-	**15,582**
Cost of grant making		1,727,617	-	**1,727,617**
Total expenditure		1,728,220	-	**1,728,220**
Net income / (expenditure)		(327,320)	-	**(327,320)**
Transfer between funds	6	327,320	(327,320)	**-**
		-	(327,320)	**(327,320)**
Net gains / (losses) on investments				
Unrealised	7	-	871,863	**871,863**
Realised	11	-	122,202	**122,202**
		-	994,065	**994,065**
Net movement in funds		-	666,745	**666,745**
Reconciliation of funds				
Total funds brought forward		-	33,753,384	**33,753,384**
Total funds carried forward		-	34,420,129	**34,420,129**

THE UNDERWOOD TRUST

Balance sheet
As of 5 April 2025

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2025 Total Funds £**	2024 Total Funds £
Fixed assets					
Unlisted investments	7	-	16,316,655	**16,316,655**	16,316,655
Listed investments	7	-	18,012,657	**18,012,657**	17,681,218
Total fixed assets		-	34,329,312	**34,329,312**	33,997,873
Current assets					
Debtors	8	1,451	-	**1,451**	322
Cash		5,704	1,044,344	**1,050,048**	1,178,953
Total current assets		7,155	1,044,344	**1,051,499**	1,179,275
Liabilities					
Creditors: amounts falling due within one year	9	(7,155)	-	**(7,155)**	(757,019)
Net current assets		-	1,044,344	**1,044,344**	422,256
Total assets less current liabilities		-	35,373,656	**35,373,656**	34,420,129
Creditors: amounts falling due after one year		-	-	**-**	-
Net assets		-	35,373,656	**35,373,656**	34,420,129
The funds of the charity					
Expendable endowment fund		-	35,373,656	**35,373,656**	34,420,129
Unrestricted income fund		-	-	**-**	-
Total charity funds		-	35,373,656	**35,373,656**	34,420,129

The notes at pages 17 to 24 form part of these accounts.
Approved by the trustees on 28 July 2025 and signed on their behalf by:

R Bennison
Trustee

THE UNDERWOOD TRUST

Statement of cash flows
As of 5 April 2025

	Notes	**2025 Total Funds £**	2024 Total Funds £
Cash flows from operating activities			
Net cash used in operating activities	11	**(1,524,847)**	(978,046)
Cash flows from investing activities			
Interest and dividends		**1,396,274**	1,400,900
Proceeds from sale of investments		**-**	151,857
Equalisation on investments		**(332)**	-
Purchase of investments		**-**	(654)
Net cash generated by investing activities		**1,395,942**	1,552,103
Cash flows from financing activities			
		-	-
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents in the year		**(128,905)**	574,057
Cash and cash equivalents brought forward		**1,178,953**	604,896
Cash and cash equivalents carried forward		**1,050,048**	1,178,953

Notes to the financial statements
For the year ended 5 April 2025

1 Accounting policies

Charity information

The Underwood trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973.

The trust deed was amended using the statutory powers as set out in the Charities Act 2011 and accepted by The Charity Commission on 3 October 2024.

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The financial statements 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment strategy and risk section in the trustees' annual report for more information).

1.2 Fund accounting

The Unrestricted Income Fund can be spent on any purpose within the Trust's objectives at the discretion of the trustees.

The Expendable Endowment Fund is primarily for income generation but is expendable at the trustees' discretion. During the year £Nil *(2024: £327,320*) was expended in making grants and or covering the deficit which had arisen on the unrestricted fund.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Dividends from investments are recognised at their record date.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing the amount for distribution after taking into consideration of any liabilities and settlement date and, if there are any conditions attached to the legacy, these are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of sufficient accuracy and the title to the asset having been transferred to the charity.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs are allocated to the activities either by direct attribution or an estimate of relative time involved. The majority of costs support the grant making activity and are so allocated.

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit, and legal fees together with an allocation of support costs.

The allocation of governance and support costs is analysed in note 5.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

The costs of raising funds consist of investment management fees.

1.5 Fixed asset investments

Quoted investments are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses, both realised and unrealised, are taken to the Statement of Financial Activities as they arise.

Unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/expenditure) for the year.

1.6 Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price, net of transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably

1.8 Taxation

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

1.9 Accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets are as follows:

Impairment of unlisted investments
The trustees' estimate of impairment is based upon updated share valuation calculations, using reports provided by Taylor Clark Limited, and the trustees' own judgement.

Notes to the financial statements
For the year ended 5 April 2025

2	**Incoming resources**	**2025**	2024
		£	£
	Investment income		
	Unlisted investments (UK)	**734,199**	786,169
	Listed investments	**640,185**	609,457
	Other interest	**21,890**	5,274
		1,396,274	1,400,900

3	**Grant expenditure**	**2025**	2024
		£	£
	Grants payable brought forward	**(750,000)**	-
	Grants paid during the year	**1,497,500**	936,258
	Grants payable carried forward	**-**	750,000
	Grant expenditure during the year	**747,500**	1,686,258

Medicine and Health		
Bristol Speech and Language Therapy Unit	**150,000**	
STAMMA (The British Stammering Association)	**45,000**	
Animal Free Research UK	**25,000**	
Living Paintings	**25,000**	
Julia's House	**25,000**	
	270,000	221,258
Education and The Arts		
National Opera Studio	**25,000**	
Stage One	**25,000**	
Farms for City Children	**25,000**	
Music for Youth	**25,000**	
Separate Doors	**22,500**	
Pimlico Opera	**15,000**	
	137,500	115,000

Notes to the financial statements
For the year ended 5 April 2025

3	**Grant expenditure** *(continued)*	**2025**	2024
		£	£
	Social Welfare		
	The British Red Cross	**50,000**	
	Hartcliffe City Farm	**30,000**	
	James' Place Charity	**25,000**	
	Community First	**25,000**	
	NSPCC	**25,000**	
	Windmill Hill City Farm	**25,000**	
	Ebony	**25,000**	
	Society Without Abuse (Swindon Women's Aid)	**25,000**	
	Empire Fighting Chance	**25,000**	
	Missing People	**25,000**	
	Mikeysline	**20,000**	
	Separated Child Foundation	**10,000**	
	St Martin in the Fields	**5,000**	
		315,000	275,000
	The Environment and Wildlife		
	The Brooke	**25,000**	
		25,000	1,075,000
	Total grants expenditure	**747,500**	1,686,258

4 Grant commitments

In addition to the grant expenditure noted above, the trustees at the last year end had authorised certain grants which were subject to them being satisfied that the recipient had fulfilled certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2025 was £1,050,000 *(2024: £1,200,000).*

The commitment of £1,500,000 over 5 years was communicated to Bristol Speech and Language Therapy Trust during the year to 5 April 2022 and commenced in October 2022.

Notes to the financial statements
For the year ended 5 April 2025

5 Allocation of support and governance costs

	Basis of apportion-ment	Grant making £	Governance £	**2025 Total £**	2024 Total £
Management fee	Work done	9,000	3,000	**12,000**	32,400
Subscriptions	Actual	294	98	**392**	1,119
Auditors' remuneration	Actual	-	7,000	**7,000**	6,960
Professional fees	Actual	-	5,400	**5,400**	
Web site costs	Actual	645	215	**860**	828
Sundries	Actual	70	35	**105**	52
Total		10,009	15,748	**25,757**	41,359

6 Transfers

A transfer of £622,420 *(2024: £327,320 was made from the expendable endowment to the unrestricted income fund to cover the deficit on the unrestricted funds)* was made from the unrestricted income fund to the endowment fund.

7 Fixed asset investments

	Listed investments £	Unlisted investments £	**Total £**
Cost or valuation at 6 April 2024	17,681,218	16,316,655	**33,997,873**
Equalisation	332	-	**332**
Unrealised investment gains / (losses)	331,107	-	**331,107**
At 5 April 2025	**18,012,657**	**16,316,655**	**34,329,312**

Net cash used from investments in the year was £Nil *(2024: £151,203 released from investments).*

Unrealised investment gains / (losses) represent the difference between the fair value of the investments at the beginning and end of the year adjusting for investment transactions during the year.

The unlisted investment is the holding of 2,545,500 Taylor Clark Limited B ordinary 10p shares (2024: 2,545,500 B ordinary 10p shares), this investment is measured at cost and is assessed for impairment annually.

Notes to the financial statements
For the year ended 5 April 2025

8 Debtors

	2025	2024
	£	£
Prepayments	**163**	322
Accrued interest	**1,288**	-
	1,451	322

9 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals	**7,155**	7,019
Greenpeace (Protect the oceans 30x30 campaign)	**-**	750,000
	7,155	757,019

10 Related party transactions

At 5 April 2025 the charity owned 2,545,500 *(2024: 2,545,500)* ordinary B shares of 10p each representing 40.8% *(2024: 40.8%)* of the B shares in issue and 36.5% *(2024: 36.5%)* of the total shares in issue of Taylor Clark Limited. During the year, the Trust received dividends of £734,199 *(2024: £786,169)* from Taylor Clark Limited.

Taylor Clark Limited has supplied office accommodation and staff for the administration of the Trust. For these services, management fees of £12,000 *(2024: £32,400)*, inclusive of VAT have been paid by the Trust. There was no outstanding balance due to Taylor Clark Limited at the year-end *(2024: £nil).* The table below shows staff costs included within the Taylor Clark management fee of £12,000.

Staff costs	**2025 Total**	2024 Total
	£	£
Wages and salaries	**6,800**	14,200
Social security costs	**938**	1,960
Employers' contributions to defined contribution pension scheme	**1,870**	3,768
Other employee benefits	**134**	266
	9,742	20,331

Notes to the financial statements
For the year ended 5 April 2025

10 **Related party transactions** *(continued)*

Briony Wilson is a shareholder in Taylor Clark Limited.

Richard Bennison and Briony Wilson are directors of Taylor Clark Limited.

No trustee received any remuneration during the year *(2024: £nil).* No trustee received any reimbursement of expenses.

11 **Reconciliation of net movement in funds to net cash flow from operating activities**

	2025	2024
	£	£
Net movement in funds	**953,527**	666,745
Deduct interest income	**(21,890)**	(5,274)
Deduct dividends and interest from investments	**(1,374,384)**	(1,395,626)
Deduct (gains) / add back losses on unrealised investments	**(331,107)**	(871,863)
(Gains) / losses realised on sale of investments	**-**	(122,202)
Decrease / (increase) in debtors	**(1,129)**	(307)
Increase / (decrease) in creditors	**(749,864)**	750,481
Net cash used in operating activities	**(1,524,847)**	(978,046)

THE UNDERWOOD TRUST

England & Wales - Charity number 266164

Accounts

Registered charity number 266164

THE UNDERWOOD TRUST

Financial Statements
for the year ended

5 April 2024

THE UNDERWOOD TRUST

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Trustees' annual report

The trustees have pleasure in presenting their report together with the financial statements for the year ended 5 April 2024.

Special note

The Trust would like to fondly remember our Chairman, Robin Clark who sadly passed away on 24 January 2024. Robin was a passionate and philanthropic man who was appointed a trustee on 22 November 1977 and then became Chairman in 1984. During his long and successful tenure, the Trust awarded grants and donations of more than £46m which have positively impacted the environment, individuals as well as many causes and campaigns important to him. Robin was recognised for services to charity with an OBE in 2014.

50th Anniversary

1 July 2023 marked the 50th Anniversary of The Underwood Trust foundation. This was proudly celebrated with a lunch recognising its many achievements. It was noted that as of 5 April 2023, the Trust had given £46.2m to charitable causes since its creation on 1 July 1973.

Objectives and activities for the public benefit

The aims of the Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

For disclosure purposes grants are categorised under the following headings.

- Medicine and Health
- Education and The Arts
- Social Welfare
- The Environment and Wildlife

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting grant making policy.

Most of the grants are made to registered charities and so the trustees are confident they will further a charitable purpose to the public benefit. On the few occasions where grants are made to non-registered charitable organisations the trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately.

The trustees seek feedback on the actual use of the grants given, on how the grant was spent and achievements made. This approach is considered sufficient for monitoring the quality of the grants made. In any grant making there is always a necessary degree of trust that the application is honest and that the recipient will use the funds wisely. A personal knowledge of the recipient of the larger grants is therefore a key part of the Trust's approach to grant making.

The trustees have decided to give annual support to a number of charities and proactively seek out certain projects. This restricts the funds available for general applications and as such the Trust is closed to unsolicited applications.

Trustees' annual report *(continued)*

Grant making policy and the application process

The Trust is granted wide powers to distribute funds for charitable purposes by the trust deed, having regard to any directions or wishes expressed by the founders in their lifetimes. The trustees have the power to make grants from the expendable endowment which was used to make grants during the year.

The application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision, including ensuring there is a clear public benefit. The Trust has a website containing general information about the Trust, together with details of our grant eligibility guidelines and an application form. All applicants must complete this form in order for their request to be further considered.

The website address is: www.theunderwoodtrust.org.uk

All applications are reviewed by the trust manager on the basis of the policy set by the trustees. Final payment decisions are taken by the trustees.

The Trust will generally not fund:

- Individuals directly
- Political activities
- Commercial ventures or publications
- The purchase of vehicles including minibuses
- Overseas travel, holidays, and expeditions

Achievements and performance

Grant expenditure

Grant expenditure during the year was £1,686,258 and comprised a total of 28 grants or donations made to 25 beneficiaries. A list by recipient of the grant expenditure in the year is given in note 3. This compares with 37 grants or donations to 30 beneficiaries totalling £1,524,658 made during the year ended 5 April 2023.

The following summary gives a flavour of the types of projects funded in the year.

Medicine and Health

A final grant of £51,258 was made to Bristol Children's Hospital (Cardiac 3D Bioprinting Unit) concluding a unique project to improve outcomes for children with congenital heart disease (CHD) in Bristol and beyond. The support provided by the Trust since 2018 has allowed the unit to develop into a strong and influential research centre enabling improvements and care for children with CHD by using 3D and virtual reality modelling. The unit now has the foundations to build on this knowledge and research and move forward to the next stage. The Trust is very proud to have been on this journey with everyone at the unit and will very much look forward to hearing about their future achievements.

During the year grants of £45,000 were made to STAMMA a charity whose mission is to stand up for and empower those who stammer and challenge discrimination. The first grant of £20,000 has enabled

Trustees' annual report *(continued)*

STAMMA to launch an Outreach and Training programme which will focus on delivering training to employers across a range of sectors, by creating written guides and training videos, running tailored workshops, and delivering conferences across different industries. The second grant of £25,000 funded core costs at the charity.

Five other grants totalling £125,000 were made. All of these were to charities where the Trust has given long term support.

Education and the Arts

A grant of £25,000 was made to Stage One which through their bursary scheme offers educational, financial, and mentoring development to new producers. This is the 17th consecutive year the Trust has supported the scheme.

Four other grants were made totalling £90,000. All of these were to charities where the Trust has given long term support.

Social Welfare

During the year £50,000 of donations were made to the British Red Cross and comprised of two separate donations. A donation of £25,000 was made to the Libyan Floods Appeal and a donation of £25,000 was made to the Moroccan Earthquake Appeal. This funding helped those most affected by these events by allowing staff and volunteers to provide vital medical services, psychosocial support, water, sanitation and hygiene, livelihood assistance, housing, and shelter.

During the year grants of £50,000 were made to Windmill Hill City Farm whose purpose is to improve the lives of local people through its services and facilities. It runs activities for people with health and social care needs, gives opportunities for personal development through courses and volunteering and hosts other organisations with similar aims and services. Two separate grants of £25,000 were made to both Windmill Hill City Farm and Hartcliffe City Farm (the second farm) allowing the key staff to keep the facilities open to the public and contributing to the core costs of running these spaces; enabling the educational, environmental, and social welfare elements to be provided.

Seven other grants totalling £175,000 were made. All of these were to charities where the Trust has given long term support.

The Environment and Wildlife

A further grant of £1,000,000 was made to Greenpeace to help affirm the historic victory on 4 March 2023 where a Global Oceans Treaty was agreed at the United Nations. Although, a legal framework now exits, this is meaningless without implementation. This funding will allow Greenpeace to keep the pressure up, to ensure governments follow through and create ocean sanctuaries across 30% of the world's oceans by 2030. For this to happen a minimum of sixty countries must ratify the treaty before it can become law.

Three other grants were made totalling £75,000. All of these were to charities where the Trust has given long term support.

Trustees' annual report *(continued)*

Financial review

The total incoming resources for the year were £1,400,900 *(2023: £791,566)*.

The largest source of income are the dividends received from Taylor Clark Limited of £786,169 *(2023: £234,364)*. Followed by distributions of £609,457 *(2023: £556,335)* received from the Trust's investment in twelve listed equity funds and finally interest on deposits earned £5,274 *(2023: £867)*.

Investment gains in the year on the listed investments were £871,863 *(2023: decreased £880,277)*

Investment strategy and risk

The investment objective is to provide a reasonable level of income together with capital growth, sufficiently protecting the funds against inflation; enabling the Trust to meet its short-term grant making commitments. This will be achieved by investing primarily in UK Equity funds. However, these funds may also invest in other asset classes and instruments.

Currently the portfolio comprises twelve equity funds. Eleven of these investments are managed by Rathbones Wealth & Investment and one by Troy Asset Management Ltd. Investment performance is regularly reviewed, and an active relationship maintained with the fund managers to mitigate investment risk.

There are many risks that may affect the long-term sustainability of the investments including inflation, interest rates, and political and economic uncertainty. The Trust deed grants the trustees wide powers of investment allowing assets to be invested in a variety of asset classes to alleviate against these risk factors. Asset classes could include cash, bonds, equities, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable for the Trust.

The total return on the investments is £7,272,051 equivalent to a compound annual return of 3.9%, which exceeds the target return of 3.0%.

In addition, the Trust will continue to hold the Taylor Clark Ordinary 'B' shares gifted as part of Mr C Clark's estate on 4 May 2021 as these provide a substantial and sustainable dividend income stream. Historically, The Underwood Trust was originally almost entirely endowed by gifts and bequests of Taylor Clark Limited shares however, it should be noted that as an unquoted company there is no open market for these shares.

Currently there is no specific social, environmental, or ethical investment policy regarding the investments.

Reserves policy

The investments of the Trust have been treated as an expendable endowment, as under the Trust deed the trustees have the power to distribute these funds. The resources expended in the year are more than incoming resources by £327,320 *(2023: deficit £773,817)*. The trustees have decided to transfer funds from the expendable endowment to cover the deficit in the unrestricted income fund.

The trustees consider the balance of funds should still be designated as an expendable endowment.

At the year end these reserves were £34,420,129 *(2023: £33,753,384)*.

Trustees' annual report *(continued)*

At the year end £nil *(2023: £Nil)* of unrestricted funds were retained.

In the event of there being a surplus of unrestricted funds the trustees aim to have distributed all the available funds from the preceding year within six months of the year end and distribute a substantial amount of the current year's income within the year.

Future plans

The trustees' key objective is to make grants to support projects within the four priority areas, and to continue funding, where appropriate, many of the organisations where there are already established long term relationships.

Structure, governance, and management

The Underwood Trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973. The founders of the Trust were Robert Clark and Mary B L Clark.

The power of appointing new or additional trustees was vested in the founders during their joint lives and in the survivor during their life. Thereafter, the statutory power of appointing new trustees applies. New trustees are found from the contacts and networks of existing trustees. When a new trustee joins the board, they are provided with a pack of information including a copy of the trust deed, the most recent accounts, minutes of recent trustees' meetings, and are made aware of the information and support for trustees available on the Charity Commission website.

The trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity. Where appropriate, the Trust supports the training of trustees including, for example, attendance at seminars organised by the Trust's professional advisers and by the Association of Charitable Foundations and the Charity Finance Group.

The trustees are required to meet at least twice a year; at these meetings the trustees agree the broad strategy for the Trust, including consideration of grant making, investment, reserves, and risk management policies. The day-to-day administration is delegated to the trust manager who has regular contact with the trustees following her initial processing and appraisal of applications.

The names of the trustees at the date of this report and throughout the year are shown on page 7.

The trustees have considered the major risks faced by the Trust and have reviewed those risks and established systems and procedures to manage and mitigate them.

The day-to-day administration of the Trust is managed by the staff of Taylor Clark Limited, under an agreement with the Charity Commission. The fee charged for this is shown in note 5. The trustees consider this is the most cost-effective way of running the Trust, as to set up an independent office and staff would incur far higher costs.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 and 10 respectively.

Trustees' annual report *(continued)*

Reference and administrative information

Trustees	Robin Clark OBE FCA Hon FRCSLT – Chairman *(deceased 24 January 2024)* Richard Bennison FCA - Chairman Briony Wilson
Registered office	Ground Floor 20 York Street London W1U 6PU
Registered charity number	266164
Trust manager	Michele Judge ACMA
Bankers	Virgin Money 154 – 158 Kensington High St, London W8 7RL
Auditor	David Owen & Co 17 The Market Place, Devizes, Wiltshire SN10 1HT
Investment managers	Troy Asset Management Ltd 33 Davies Street, London W1K 4BP Rathbones Wealth & Investment Management 30 Gresham Street, London EC2V 7QN

Trustees' annual report *(continued)*

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

Auditor

A resolution to re-appoint David Owen & Co as the Trust's auditor will be proposed at the next trustees meeting.

Approved by the trustees and signed on their behalf

R Bennison
Trustee

17 July 2024

Independent auditor's report to the trustees of The Underwood Trust

Opinion

We have audited the financial statements of The Underwood Trust (the 'charity') for the year ended 5 April 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 5 April 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities (on page 9), 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011 and applicable accounting standards.

- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.

- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: misappropriation of cash and other assets.

- We critically reviewed judgements and provisions included within the financial statements and examined the associated cut-off issues.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the trustees about actual and potential litigation and claims.

- We obtained independent confirmations from your bank regarding balances at the year-end in addition to any outstanding charges.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Owen & Co
Chartered Accountants
Statutory Auditor

17 The Market Place
Devizes
Wiltshire
SN10 1HT

David Owen & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

17 July 2024

THE UNDERWOOD TRUST

Statement of financial activities
Including income and expenditure account
For the year ending 5 April 2024

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2024 Total Funds £**	2023 Total Funds £
Income					
Legacy income		-	-	**-**	-
Investment income	2	1,400,900	-	**1,400,900**	791,566
Total income		1,400,900	-	**1,400,900**	791,566
Expenditure					
Raising funds:					
Investment management costs		603	-	**603**	600
Charitable activities:					
Grant expenditure	3	1,686,258	-	**1,686,258**	1,524,658
Grant related support costs	5	25,777	-	**25,777**	25,221
Governance costs	5	15,582	-	**15,582**	14,904
Cost of grant making		1,727,617	-	**1,727,617**	1,564,783
Total expenditure		1,728,220	-	**1,728,220**	1,565,383
Net income / (expenditure)		(327,320)	-	**(327,320)**	(773,817)
Transfer between funds	6	327,320	(327,320)	**-**	-
		-	(327,320)	**(327,320)**	(773,817)
Net gains / (losses) on investments					
Unrealised	7	-	871,863	**871,863**	(880,277)
Realised	11	-	122,202	**122,202**	69,852
		-	994,065	**994,065**	(810,425)
Net movement in funds		-	666,745	**666,745**	(1,584,242)
Reconciliation of funds					
Total funds brought forward		-	33,753,384	**33,753,384**	35,337,626
Total funds carried forward		-	34,420,129	**34,420,129**	33,753,384

THE UNDERWOOD TRUST

Statement of financial activities (continued)
Including income and expenditure account
For the year ending 5 April 2024

Comparative year information Year ended 5 April 2023	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	2023 Total Funds £
Income				
Legacy income		-	-	-
Investment income	2	791,566	-	**791,566**
Total income		791,566	-	**791,566**
Expenditure				
Raising funds:				
Investment management costs		600	-	**600**
Charitable activities:				
Grant expenditure	3	1,524,658	-	**1,524,658**
Grant related support costs	5	25,221	-	**25,221**
Governance costs	5	14,904	-	**14,904**
Cost of grant making		1,564,783	-	**1,564,783**
Total expenditure		1,565,383	-	**1,565,383**
Net income / (expenditure)		(773,817)	-	**(773,817)**
Transfer between funds	6	773,817	(773,817)	-
		-	(773,817)	**(773,817)**
Net gains / (losses) on investments				
Unrealised	7	-	(880,277)	**(880,277)**
Realised	11	-	69,852	**69,852**
		-	(810,425)	**(810,425)**
Net movement in funds		-	(1,584,242)	**(1,584,242)**
Reconciliation of funds				
Total funds brought forward		-	35,337,626	**35,337,626**
Total funds carried forward		-	33,753,384	**33,753,384**

THE UNDERWOOD TRUST

Balance sheet
As of 5 April 2024

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2024 Total Funds £**	2023 Total Funds £
Fixed assets					
Unlisted investments	7	-	16,316,655	**16,316,655**	16,316,655
Listed investments	7	-	17,681,218	**17,681,218**	16,838,357
Total fixed assets		-	33,997,873	**33,997,873**	33,155,012
Current assets					
Debtors	8	322	-	**322**	14
Cash		6,697	1,172,256	**1,178,953**	604,896
Total current assets		7,019	1,172,256	**1,179,275**	604,910
Liabilities					
Creditors: amounts falling due within one year	9	(7,019)	(750,000)	**(757,019)**	(6,538)
Net current assets		-	422,256	**422,256**	598,372
Total assets less current liabilities		-	34,420,129	**34,420,129**	33,753,384
Creditors: amounts falling due after one year		-	-	-	-
Net assets		-	34,420,129	**34,420,129**	33,753,384
The funds of the charity					
Expendable endowment fund		-	34,420,129	**34,420,129**	33,753,384
Unrestricted income fund		-	-	-	-
Total charity funds		-	34,420,129	**34,420,129**	33,753,384

The notes at pages 17 to 24 form part of these accounts.
Approved by the trustees on 17 July 2024 and signed on their behalf by:

R Bennison
Trustee

THE UNDERWOOD TRUST

Statement of cash flows
As of 5 April 2024

	Notes	2024 Total Funds £	2023 Total Funds £
Cash flows from operating activities			
Net cash used in operating activities	11	**(978,046)**	(1,564,538)
Cash flows from investing activities			
Interest and dividends		**1,400,900**	791,566
Proceeds from sale of investments		**151,857**	3,045,457
Equalisation on investments		**-**	-
Purchase of investments		**(654)**	(3,029,145)
Net cash generated by investing activities		**1,552,103**	807,878
Cash flows from financing activities			
		-	-
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents in the year		**574,057**	(756,660)
Cash and cash equivalents brought forward		**604,896**	1,361,556
Cash and cash equivalents carried forward		**1,178,953**	604,896

Notes to the financial statements
For the year ended 5 April 2024

1 Accounting policies

Charity information

The Underwood trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973.

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The financial statements 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment strategy and risk section in the trustees' annual report for more information).

1.2 Fund accounting

The Unrestricted Income Fund can be spent on any purpose within the Trust's objectives at the discretion of the trustees.

The Expendable Endowment Fund is primarily for income generation but is expendable at the trustees' discretion. During the year £327,320 *(2023: £773,817)* was expended in making grants and or covering the deficit which had arisen on the unrestricted fund.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Dividends from investments are recognised at their record date.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing the amount for

distribution after taking into consideration of any liabilities and settlement date and, if there are any conditions attached to the legacy, these are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of sufficient accuracy and the title to the asset having been transferred to the charity.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs are allocated to the activities either by direct attribution or an estimate of relative time involved. The majority of costs support the grant making activity and are so allocated.

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit, and legal fees together with an allocation of support costs.

The allocation of governance and support costs is analysed in note 5.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

The costs of raising funds consist of investment management fees.

1.5 Fixed asset investments

Quoted investments are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses, both realised and unrealised, are taken to the Statement of Financial Activities as they arise.

Unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

1.6 Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price, net of transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably

1.8 Taxation

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

1.9 Accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets are as follows:

Impairment of unlisted investments
The trustees' estimate of impairment is based upon updated share valuation calculations, using reports provided by Taylor Clark Limited, and the trustees' own judgement.

Notes to the financial statements
For the year ended 5 April 2024

2	Incoming resources	2024 £	2023 £
	Investment income		
	Unlisted investments (UK)	**786,169**	234,364
	Listed investments	**609,457**	556,335
	Other interest	**5,274**	867
		1,400,900	791,566

3	Grant expenditure	2024 £	2023 £
	Grants payable brought forward	-	-
	Grants paid during the year	**936,258**	1,524,658
	Grants payable carried forward	**750,000**	-
	Grant expenditure during the year	**1,686,258**	1,524,658
	Medicine and Health		
	The Grand Appeal - Bristol Children's Hospital	**51,258**	
	STAMMA (The British Stammering Association)	**45,000**	
	Dorothy House Hospice	**25,000**	
	Living Paintings Trust	**25,000**	
	Julia's House Hospice	**25,000**	
	Wiltshire Air Ambulance	**25,000**	
	Animal Free Research UK	**25,000**	
		221,258	548,158
	Education and The Arts		
	Farms for City Children	**25,000**	
	Stage One	**25,000**	
	Music for Youth	**25,000**	
	National Opera Studio	**25,000**	
	Pimlico Opera	**15,000**	
		115,000	136,500

3	Grant expenditure *(continued)*	2024 £	2023 £
	Social Welfare		
	The British Red Cross	**50,000**	
	Windmill Hill City Farm	**50,000**	
	Ebony Horse Club	**25,000**	
	Switch180 (Snow Camp)	**25,000**	
	Community First (Youth Action Wiltshire)	**25,000**	
	Wiltshire Community Foundation	**25,000**	
	NSPCC	**25,000**	
	Swindon Women's Aid	**25,000**	
	James' Place	**25,000**	
		275,000	440,000
	The Environment and Wildlife		
	Greenpeace	**1,000,000**	
	The Brooke	**25,000**	
	Wilts & Berks Canal Trust	**25,000**	
	Wiltshire Wildlife Trust	**25,000**	
		1,075,000	400,000
	Total grants expenditure	**1,686,258**	1,524,658

4 Grant commitments

In addition to the grant expenditure noted above, the trustees at the last year end had authorised certain grants which were subject to them being satisfied that the recipient had fulfilled certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2024 was £1,200,*000 (2023: £1,200,000).*

The commitment of £1,500,000 over 5 years was communicated to Bristol Speech and Language Therapy Trust during the year to 5 April 2022 and commenced in October 2022.

5 Allocation of support and governance costs

	Basis of apportion-ment	Grant making £	Governance £	**2024 Total £**	2023 Total £
Management fee	Work done	24,300	8,100	**32,400**	32,400
Subscriptions	Actual	839	280	**1,119**	365
Auditors remuneration	Actual	-	6,960	**6,960**	6,480
Web site costs	Actual	621	207	**828**	792
Sundries	Actual	17	35	**52**	88
Total		25,777	15,582	**41,359**	40,125

6 Transfers

A transfer of £327,320 *(2023: £773,817)* was made from the expendable endowment to the unrestricted income fund to cover the deficit on the unrestricted funds.

7 Fixed asset investments

	Listed investments £	Unlisted investments £	**Total £**
Cost or valuation at 6 April 2023	16,838,357	16,316,655	**33,155,012**
Additions	654	-	**654**
Disposals	(209,819)	-	**(209,819)**
Realised investment gains / (losses)	180,163	-	**180,163**
Unrealised investment gains / (losses)	871,863	-	**871,863**
At 5 April 2024	17,681,218	16,316,655	**33,997,873**

Net cash used from investments in the year was £151,203 *(2023: £16,312 released from investments).*

Unrealised investment gains / (losses) represent the difference between the fair value of the investments at the beginning and end of the year adjusting for investment transactions during the year.

The unlisted investment is the holding of 2,545,500 Taylor Clark Limited B ordinary 10p shares (2023: 2,545,500 B ordinary 10p shares), this investment is measured at cost and is assessed for impairment annually.

Notes to the financial statements
For the year ended 5 April 2024

8 Debtors	2024 £	2023 £
Prepayments	**322**	14
	322	14

9 **Creditors:** amounts falling due within one year	2024 £	2023 £
Accruals	**7,019**	6,538
Greenpeace (Protect the oceans 30x30 campaign)	**750,000**	-
	757,019	6,538

10 **Related party transactions**

At 5 April 2024 the charity owned 2,545,500 *(2023: 2,545,500)* ordinary B shares of 10p each representing 40.8% *(2023: 40.8%)* of the B shares in issue and 36.5% *(2023: 36.5%)* of the total shares in issue of Taylor Clark Limited. During the year, the Trust received dividends of £786,169 *(2023: £234,364)* from Taylor Clark Limited.

Taylor Clark Limited has supplied office accommodation and staff for the administration of the Trust. For these services, management fees of £32,400 *(2023: £32,400)*, inclusive of VAT have been paid by the Trust. There was no outstanding balance due to Taylor Clark Limited at the year-end *(2023: £nil)*. The table below shows staff costs included within the Taylor Clark management fee of £32,400.

Staff costs	2024 Total £	2023 Total £
Wages and salaries	**14,200**	13,700
Social security costs	**1,960**	1,890
Employers' contributions to defined contribution pension scheme	**3,905**	3,768
Other employee benefits	**266**	222
	20,331	19,580

10 **Related party transactions** *(continued)*

Briony Wilson is a shareholder in Taylor Clark Limited.

Richard Bennison and Briony Wilson are directors of Taylor Clark Limited.

No trustee received any remuneration during the year *(2023: £nil)*. No trustee received any reimbursement of expenses.

11 **Reconciliation of net movement in funds to net cash flow from operating activities**

	2024	2023
	£	£
Net movement in funds	**666,745**	(1,584,243)
Deduct interest income	**(5,274)**	(867)
Deduct dividends and interest from investments	**(1,395,626)**	(790,699)
Deduct (gains) / add back losses on unrealised investments	**(871,863)**	880,277
(Gains) / losses realised on sale of investments	**(122,202)**	(69,852)
Decrease / (increase) in debtors	**(307)**	366
Increase / (decrease) in creditors	**750,481**	480
Net cash used in operating activities	**(978,046)**	(1,564,538)

THE UNDERWOOD TRUST

England & Wales - Charity number 266164

Accounts

Registered charity number 266164

THE UNDERWOOD TRUST

Financial Statements
for the year ended

5 April 2023

THE UNDERWOOD TRUST

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THE UNDERWOOD TRUST

Trustees' annual report

The trustees have pleasure in presenting their report together with the financial statements for the year ended 5 April 2023.

Objectives and activities for the public benefit

The aims of the Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

For disclosure purposes grants are categorised under the following headings.

- Medicine and Health
- Education and The Arts
- Social Welfare
- The Environment and Wildlife

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting grant making policy.

Most of the grants are made to registered charities and so the trustees are confident they will further a charitable purpose to the public benefit. On the few occasions where grants are made to non-registered charitable organisations the trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately.

The trustees seek feedback on the actual use of the grants given, on how the grant was spent and achievements made. This approach is considered sufficient for monitoring the quality of the grants made. In any grant making there is always a necessary degree of trust that the application is honest and that the recipient will use the funds wisely. A personal knowledge of the recipient of the larger grants is therefore a key part of the Trust's approach to grant making.

The trustees have decided to give annual support to a number of charities and proactively seek out certain projects. This restricts the funds available for general applications and as such the Trust is closed to unsolicited applications.

Grant making policy and the application process

The Trust is granted wide powers to distribute funds for charitable purposes by the trust deed, having regard to any directions or wishes expressed by the founders in their lifetimes. The trustees have the power to make grants from the expendable endowment which was used to make grants during the year.

The application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision, including ensuring there is a clear public benefit. The Trust has a website containing general information about the Trust, together with details of our grant eligibility guidelines and an application form. All applicants must complete this form in order for their request to be further considered.

The website address is: www.theunderwoodtrust.org.uk

Trustees' annual report *(continued)*

All applications are reviewed by the trust manager on the basis of the policy set by the trustees. Final payment decisions are taken by the trustees.

The Trust will generally not fund:

- Individuals directly
- Political activities
- Commercial ventures or publications
- The purchase of vehicles including minibuses
- Overseas travel, holidays, and expeditions

Achievements and performance

Grant expenditure

Grant expenditure during the year was £1,524,658 and comprised a total of 37 grants or donations made to 30 beneficiaries. A list by recipient of the grant expenditure in the year is given in note 3. This compares with 32 grants or donations to 29 beneficiaries totalling £1,317,198 made during the year ended 5 April 2022.

The following summary gives a flavour of the types of projects funded in the year.

Medicine and Health

During the year £300,000 of grants were made to Bristol Speech Language Therapy Research Unit (BSLTRU) towards the agreed 'legacy project' to reinforce BSLTRU as a leading speech and language therapy research unit both in the UK and globally. This was the first year of a potential 5-year partnership between BSLTRU, North Bristol NHS Trust, University of Bristol, and Cardiff Metropolitan University.

Key achievements to date:

- The funding provided by the Trust between 2022/23 has resulted in £1,591,711 of research grants being awarded to BSLTRU.
- Identified that children born with cleft are more likely to face difficulties than children from the general population. Hyperactivity, emotional and peer problems were increased in the Cleft Collective study compared to the general population samples. This work has now been published in The Cleft Palate-Craniofacial Journal (Berman et al 2022).
- The team received certificates from publishers in recognition of four papers published between Jan 2021 and Dec 2022 being among the most cited and another paper being one of the most downloaded.
- Since April 2022, members of BSLTRU have attended and spoken at ten presentations plus two panel appearances, as well as 25 oral papers, one workshop and six posters at national and international conferences.

Trustees' annual report *(continued)*

The Trust continued its support to Bristol Children's Hospital (Cardiac 3D Bioprinting Unit) with a further grant of £98,158 towards its ongoing core, research, and capital costs. The aims of the programme are to advance care and improve outcomes for children with congenital heart disease (CHD) by using 3D and virtual reality modelling.

Key highlights for the year include:

- The expansion into virtual reality modelling as a new tool for clinicians
- Positive progress made in using 3D bioprinting to create cardiac patches and grafts
- Dr Carrabba was granted an MRC Accelerator Award
- 3D printing and bioprinting being identified as a top 10 research priority for children with congenital heart disease (CHD) by the James Lind Alliance Setting Partnership for CHD

Six other grants totalling £150,000 were made. All of these were to charities where the Trust has given long term support.

Education and the Arts

A grant of £25,000 was made to Stage One which through their bursary scheme offers educational, financial, and mentoring development to new producers. This is the 16th consecutive year the Trust has supported the scheme.

A new grant of £25,000 was made to the National Opera Studio (NOS) who train talented musicians to become leading artists, addressing diversity in the opera art form, making a vital contribution to UK creative and cultural life. Their core mission is to identify and develop talent - all the young artists invited to join the annual programme are selected on merit and do not pay fees. The NOS is in partnership with six of the UK's leading opera companies, who play a vital role in the development of the musicians through exceptional training and support. Our grant helped fund the 'Residencies' part of the NOS training programme where the young artists are exposed to leading directors, conductors and orchestras in a professional environment enabling the sort of on-the-job training which is vital to their education.

Four other grants were made totalling £86,500. All of these were to charities where the Trust has given long term support.

Social Welfare

During the year £125,000 of donations were made to the British Red Cross and comprised of three separate donations. A donation of £50,000 was made to the African Food Crisis and this was used to provide training and crops to 3,000 farmers in Kenya. A donation of £50,000 was made to the Turkey/Syrian Earthquake Appeal and a donation of £25,000 was made to the Pakistan Floods. This funding helped those most affected by these events by allowing staff and volunteers to provide vital medical services, psychosocial support, water, sanitation and hygiene, livelihood assistance, housing, and shelter.

During the year grants of £50,000 were made to Swindon Women's Aid a charity who are committed to empowering and supporting victims and survivors of domestic abuse. The first grant of £25,000 provided continued funding of the salary of a full time Youth Support Worker, who will conduct works across schools in Swindon. They will support young people who have experienced domestic abuse,

Trustees' annual report *(continued)*

both at home and in their own relationships in addition to educating young people on healthy relationships and boundaries. The second grant of £25,000 funded core costs at the charity.

During the year grants of £50,000 were made to Windmill Hill City Farm whose purpose is to improve the lives of local people through education activities by addressing disadvantage, providing community facilities, and undertaking community development. The first grant of £25,000 went towards the capital works and development of the Hartcliffe City Farm site. The project will use a similar model to that at Windmill Hill City Farm, aiming to create social value via employment and training, horticulture and conservation, education and therapy, and community cohesion. The second grant of £25,000 funded core costs at Windmill Hill City Farm.

Eight other grants totalling £215,000 were made. All of these were to charities where the Trust has given long term support.

The Environment and Wildlife

During the year £225,000 grants were made to The Wiltshire Wildlife Trust (WWT) and comprised of two separate grants. A grant of £200,000 was made to help purchase a parcel of ancient woodland (Great Wood) in Wiltshire. This will allow WWT to restore and preserve one of the largest collections of wild service trees in the country whilst encouraging the native wildlife to flourish. WWT will engage and enable people, especially the young, to learn about ancient woodlands and the environment, inspire them to become the conservationists of the future and reap the health and wellbeing benefits of connecting with nature. WWT expect 2,500 people to benefit every year through managed activities and open days at Great Wood.

A grant of £100,000 was made to Greenpeace to support a global campaign to protect and secure 30% of the world's oceans by 2030. On 4 March 2023 and after two decades of negotiations a Global Oceans Treaty was finally agreed at the United Nations. This was an historic victory for ocean conservation and will provide a pathway of creating a marine protected areas across the world's oceans.

Three other grants were made totalling £75,000. All of these were to charities where the Trust has given long term support.

Financial review

The total incoming resources for the year were £791,566 *(2022: £17,662,733)*.

The largest source of income are distributions of £556,335 *(2022: £500,921)* received from the Trust's investment in twelve listed equity funds. Followed by dividends received from Taylor Clark Limited of £234,364 *(2022: £845,055)* and finally interest on deposits earned £867 *(2022: £102)*.

Investment losses in the year on the listed investments were £880,277 *(2022: increased £690,113)*

Investment strategy and risk

The investment objective is to provide a reasonable level of income together with capital growth, sufficiently protecting the funds against inflation; enabling the Trust to meet its short-term grant making commitments. This will be achieved by investing primarily in UK Equity funds. However, these funds may also invest in other asset classes and instruments.

Trustees' annual report *(continued)*

Currently the portfolio comprises twelve equity funds. Eleven of these investments are managed by Investec Wealth & Investment and one by Troy Asset Management Ltd. Investment performance is regularly reviewed, and an active relationship maintained with the fund managers to mitigate investment risk.

There are many risks that may affect the long-term sustainability of the investments including inflation, interest rates, and political and economic uncertainty. The Trust deed grants the trustees wide powers of investment allowing assets to be invested in a variety of asset classes to alleviate against these risk factors. Asset classes could include cash, bonds, equities, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable for the Trust.

The total return on the investments is £5,586,998 equivalent to a compound annual return of 3.4%, which exceeds the target return of 3.0%.

In addition, the Trust will continue to hold the Taylor Clark Ordinary 'B' shares received during the year as these provide a substantial and sustainable dividend income.

Currently there is no specific social, environmental, or ethical investment policy regarding the investments.

Reserves policy

The investments of the Trust have been treated as an expendable endowment, as under the Trust deed the trustees have the power to distribute these funds. The resources expended in the year are less than incoming resources by £773,818 *(2022: deficit £11,545)*. The trustees have decided to transfer funds from the expendable endowment to cover the deficit in the unrestricted income fund.

The trustees consider the balance of funds should still be designated as an expendable endowment.

At the year end these reserves were £33,753,384 *(2022: £35,337,626)*.

At the year end £nil *(2022: £Nil)* of unrestricted funds were retained.

In the event of there being a surplus of unrestricted funds the trustees aim to have distributed all the available funds from the preceding year within six months of the year end and distribute a substantial amount of the current year's income within the year.

Future plans

The trustees' key objective is to make grants to support projects within the four priority areas, and to continue funding, where appropriate, many of the organisations where there are already established long term relationships.

Structure, governance, and management

The Underwood Trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973. The founders of the Trust were Robert Clark and Mary B L Clark.

Trustees' annual report *(continued)*

The power of appointing new or additional trustees was vested in the founders during their joint lives and in the survivor during their life. Thereafter, the statutory power of appointing new trustees applies. New trustees are found from the contacts and networks of existing trustees. When a new trustee joins the board, they are provided with a pack of information including a copy of the trust deed, the most recent accounts, minutes of recent trustees' meetings, and are made aware of the information and support for trustees available on the Charity Commission website.

The trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity. Where appropriate, the Trust supports the training of trustees including, for example, attendance at seminars organised by the Trust's professional advisers and by the Association of Charitable Foundations and the Charity Finance Group.

The trustees are required to meet at least twice a year; at these meetings the trustees agree the broad strategy for the Trust, including consideration of grant making, investment, reserves, and risk management policies. The day-to-day administration is delegated to the trust manager who has regular contact with the trustees following her initial processing and appraisal of applications.

The names of the trustees at the date of this report and throughout the year are shown on page 8.

The trustees have considered the major risks faced by the Trust and have reviewed those risks and established systems and procedures to manage and mitigate them.

The day-to-day administration of the Trust is managed by the staff of Taylor Clark Limited, under an agreement with the Charity Commission. The fee charged for this is shown in note 5. The trustees consider this is the most cost-effective way of running the Trust, as to set up an independent office and staff would incur far higher costs.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 and 10 respectively.

Trustees' annual report *(continued)*

Reference and administrative information

Trustees	Robin Clark OBE FCA Hon FRCSLT - Chairman Richard Bennison FCA Briony Wilson
Registered office	Ground Floor 20 York Street London W1U 6PU
Registered charity number	266164
Trust manager	Michele Judge ACMA
Bankers	Virgin Money 154 – 158 Kensington High St, London W8 7RL
Auditor	David Owen & Co 17 The Market Place, Devizes, Wiltshire SN10 1HT
Investment managers	Troy Asset Management Ltd 33 Davies Street, London W1K 4BP Investec Wealth & Investment Limited 30 Gresham Street, London EC2V 7QN

Trustees' annual report *(continued)*

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

Auditor

A resolution to re-appoint David Owen & Co as the Trust's auditor will be proposed at the next trustees meeting.

Approved by the trustees and signed on their behalf

R Bennison
Trustee

28 July 2023

Independent auditor's report to the trustees of The Underwood Trust

Opinion

We have audited the financial statements of The Underwood Trust (the 'charity') for the year ended 5 April 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 5 April 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities (on page 9), 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011 and applicable accounting standards.

- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.

- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: misappropriation of cash and other assets.

- We critically reviewed judgements and provisions included within the financial statements and examined the associated cut-off issues.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the trustees about actual and potential litigation and claims.

- We obtained independent confirmations from your bank regarding balances at the year-end in addition to any outstanding charges.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Owen & Co
Chartered Accountants
Statutory Auditor

17 The Market Place
Devizes
Wiltshire
SN10 1HT

David Owen & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

David Owen & Co

28 July 2023

THE UNDERWOOD TRUST

Statement of financial activities
Including income and expenditure account
For the year ending 5 April 2023

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2023 Total Funds £**	2022 Total Funds £
Income					
Legacy income		-	-	**-**	16,316,655
Investment income	2	791,566	-	**791,566**	1,346,078
Total income		791,566	-	**791,566**	17,662,733
Expenditure					
Raising funds:					
Investment management costs		600	-	**600**	601
Charitable activities:					
Grant expenditure	3	1,524,658	-	**1,524,658**	1,317,198
Grant related support costs	5	25,221	-	**25,221**	25,269
Governance costs	5	14,904	-	**14,904**	14,555
Cost of grant making		1,564,783	-	**1,564,783**	1,357,022
Total expenditure		1,565,383	-	**1,565,383**	1,357,623
Net income / (expenditure)		(773,817)	-	**(773,817)**	16,305,110
Transfer between funds	6	773,817	(773,817)	-	-
		-	(773,817)	**(773,817)**	16,305,110
Net gains / (losses) on investments					
Unrealised	7	-	(880,277)	**(880,277)**	690,113
Realised	11	-	69,852	**69,852**	593,825
		-	(810,425)	**(810,425)**	1,283,938
Net movement in funds		-	(1,584,242)	**(1,584,242)**	17,589,048
Reconciliation of funds					
Total funds brought forward		-	35,337,626	**35,337,626**	17,748,578
Total funds carried forward		-	33,753,384	**33,753,384**	35,337,626

Statement of financial activities (continued)
Including income and expenditure account
For the year ending 5 April 2023

Comparative year information **Year ended 5 April 2022**	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2022 Total Funds** **£**
Income				
Legacy income		-	16,316,655	**16,316,655**
Investment income	2	1,346,078	-	**1,346,078**
Total income		1,346,078	16,316,655	**17,662,733**
Expenditure				
Raising funds:				
Investment management costs		601	-	**601**
Charitable activities:				
Grant expenditure	3	1,317,198	-	**1,317,198**
Grant related support costs	5	25,269	-	**25,269**
Governance costs	5	14,555	-	**14,555**
Cost of grant making		1,357,022	-	**1,357,022**
Total expenditure		1,357,623	-	**1,357,623**
Net income / (expenditure)		(11,545)	16,316,655	**16,305,110**
Transfer between funds	6	11,545	(11,545)	**-**
		-	16,305,110	**16,305,110**
Net gains / (losses) on investments				
Unrealised	7	-	690,113	**690,113**
Realised	11	-	593,825	**593,825**
		-	1,283,938	**1,283,938**
Net movement in funds		-	17,589,048	**17,589,048**
Reconciliation of funds				
Total funds brought forward		-	17,748,578	**17,748,578**
Total funds carried forward		-	35,337,626	**35,337,626**

THE UNDERWOOD TRUST

Balance sheet
As of 5 April 2023

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2023 Total Funds £**	2022 Total Funds £
Fixed assets					
Unlisted investments	7	-	16,316,655	**16,316,655**	16,316,655
Listed investments	7	-	16,838,357	**16,838,357**	17,665,093
Total fixed assets		-	33,155,012	**33,155,012**	33,981,748
Current assets					
Debtors	8	14	-	**14**	380
Cash		6,524	598,372	**604,896**	1,361,556
Total current assets		6,538	598,372	**604,910**	1,361,936
Liabilities					
Creditors: amounts falling due within one year	9	(6,538)	-	**(6,538)**	(6,058)
Net current assets		-	598,372	**598,372**	1,355,878
Total assets less current liabilities		-	33,753,384	**33,753,384**	35,337,626
Creditors: amounts falling due after one year		-	-	-	-
Net assets		-	33,753,384	**33,753,384**	35,337,626
The funds of the charity					
Expendable endowment fund		-	33,753,384	**33,753,384**	35,337,626
Unrestricted income fund		-	-	-	-
Total charity funds		-	33,753,384	**33,753,384**	35,337,626

The notes at pages 18 to 25 form part of these accounts.
Approved by the trustees on 28 July 2023 and signed on their behalf by:

R Bennison
Trustee

THE UNDERWOOD TRUST

Statement of cash flows
As of 5 April 2023

	Notes	2023 Total Funds £	2022 Total Funds £
Cash flows from operating activities			
Net cash used in operating activities	11	**(1,564,538)**	(772,340)
Cash flows from investing activities			
Interest and dividends		**791,566**	1,346,078
Proceeds from sale of investments		**3,045,457**	11,007,392
Equalisation on investments		**-**	39,585
Purchase of investments		**(3,029,145)**	(11,006,841)
Net cash generated by investing activities		**807,878**	1,386,214
Cash flows from financing activities			
		-	-
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents in the year		**(756,660)**	613,874
Cash and cash equivalents brought forward		**1,361,556**	747,682
Cash and cash equivalents carried forward		**604,896**	1,361,556

Notes to the financial statements
For the year ended 5 April 2023

1 Accounting policies

Charity information

The Underwood trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973.

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The financial statements 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment strategy and risk section in the trustees' annual report for more information).

1.2 Fund accounting

The Unrestricted Income Fund can be spent on any purpose within the Trust's objectives at the discretion of the trustees.

The Expendable Endowment Fund is primarily for income generation but is expendable at the trustees' discretion. During the year £773,817 *(2022: £11,545)* was expended in making grants and or covering the deficit which had arisen on the unrestricted fund.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Dividends from investments are recognised at their record date.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing the amount for

distribution after taking into consideration of any liabilities and settlement date and, if there are any conditions attached to the legacy, these are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of sufficient accuracy and the title to the asset having been transferred to the charity.

1.4 **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs are allocated to the activities either by direct attribution or an estimate of relative time involved. The majority of costs support the grant making activity and are so allocated.

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit, and legal fees together with an allocation of support costs.

The allocation of governance and support costs is analysed in note 5.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

The costs of raising funds consist of investment management fees.

1.5 **Fixed asset investments**

Quoted investments are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses, both realised and unrealised, are taken to the Statement of Financial Activities as they arise.

Unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

1.6 **Debtors and creditors**

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price, net of transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 **Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably

1.8 **Taxation**

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

1.9 **Accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets are as follows:

Impairment of unlisted investments
The trustees' estimate of impairment is based upon updated share valuation calculations, using reports provided by Taylor Clark Limited, and the trustees' own judgement.

Notes to the financial statements
For the year ended 5 April 2023

2	**Incoming resources**	**2023**	2022
		£	£
	Legacy income	**-**	16,316,655
	Investment income		
	Listed investments	**556,335**	500,921
	Unlisted investments (UK)	**234,364**	845,055
	Other interest	**867**	102
		791,566	17,662,733

3	**Grant expenditure**	**2023**	2022
		£	£
	Grants payable brought forward	**-**	-
	Grants paid during the year	**1,524,658**	1,317,198
	Grants payable carried forward	**-**	-
	Grant expenditure during the year	**1,524,658**	1,317,198

Medicine and Health		
Bristol Speech and Language Therapy Research Unit	**300,000**	
Bristol Children's Hospital (Cardiac 3D printing programme)	**98,158**	
Living Paintings Trust	**25,000**	
Dorothy House Hospice	**25,000**	
The British Stammering Association	**25,000**	
Julia's House Hospice	**25,000**	
Wiltshire Air Ambulance	**25,000**	
Animal Free Research UK	**25,000**	
	548,158	439,698
Education and The Arts		
Farms for City Children	**25,000**	
Stage One	**25,000**	
Music for Youth	**25,000**	
National Opera Studio	**25,000**	
Separate Doors	**21,500**	
Pimlico Opera	**15,000**	
	136,500	90,000

Notes to the financial statements
For the year ended 5 April 2023

3	**Grant expenditure** *(continued)*	**2023** £	2022 £
	Social Welfare		
	The British Red Cross	**125,000**	
	Swindon Women's Aid	**50,000**	
	Community First (Youth Action Wiltshire)	**50,000**	
	Windmill Hill City Farm	**50,000**	
	James' Place	**25,000**	
	NSPCC	**25,000**	
	Switch182	**25,000**	
	Wiltshire Community Foundation	**25,000**	
	Ebony Horse Club	**25,000**	
	Living Paintings Trust (Coronation project)	**25,000**	
	Separated Child Foundation	**15,000**	
		440,000	362,500
	The Environment and Wildlife		
	Wiltshire Wildlife Trust	**225,000**	
	Greenpeace	**100,000**	
	The Brooke	**25,000**	
	Wilts & Berks Canal Trust	**25,000**	
	Campaign to Protect Rural England	**25,000**	
		400,000	425,000
	Total grants expenditure	**1,524,658**	1,317,198

4 **Grant commitments**

In addition to the grant expenditure noted above, the trustees at the last year end had authorised certain grants which were subject to them being satisfied that the recipient had fulfilled certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2023 was £1,200,*000 (2022: £1,500,000).*

The commitment of £1,500,000 over 5 years was communicated to Bristol Speech and Language Therapy Trust during the year to 5 April 2022 and commenced in October 2022.

5 Allocation of support and governance costs

	Basis of apportion-ment	Grant making £	Governance £	**2023 Total £**	2022 Total £
Management fee	Work done	24,300	8,100	**32,400**	32,400
Subscriptions	Actual	274	91	**365**	348
Auditors remuneration	Actual	-	6,480	**6,480**	6,120
Web site costs	Actual	594	198	**792**	851
Sundries	Actual	53	35	**88**	105
Total		25,221	14,904	**40,125**	39,824

6 Transfers

A transfer of £773,817 *(2022: £11,545)* was made from the expendable endowment to the unrestricted income fund to cover the deficit on the unrestricted funds.

7 Fixed asset investments

	Listed investments £	Unlisted investments £	**Total £**
Cost or valuation at 6 April 2022	17,665,093	16,316,665	**33,981,748**
Additions	3,029,145	-	**3,029,145**
Disposals	(2,975,604)	-	**(2,975,604)**
Unrealised investment gains / (losses)	(880,277)		**(880,277)**
At 5 April 2023	**16,838,357**	**16,316,655**	**33,155,012**

Net cash used from investments in the year was £16,312 *(2022: £550 released from investments).*

Unrealised investment gains / (losses) represent the difference between the fair value of the investments at the beginning and end of the year adjusting for investment transactions during the year.

The unlisted investment is the holding of 2,545,500 Taylor Clark Limited B ordinary 10p shares (2022: 2,545,500 B ordinary 10p shares), this investment is measured at cost is assessed for impairment annually.

Notes to the financial statements
For the year ended 5 April 2023

8	**Debtors**	**2023**	2022
		£	£
	Prepayments	**14**	380
		14	380

9	**Creditors:** amounts falling due within one year	**2023**	2022
		£	£
	Accruals	**6,538**	6,058
		6,538	6,058

10 **Related party transactions**

At 5 April 2023 the charity owned 2,545,500 *(2022: 2,545,500)* ordinary B shares of 10p each representing 40.8% *(2022: 40.8%)* of the B shares in issue and 36.5% *(2022: 36.5%)* of the total shares in issue of Taylor Clark Limited. During the year, the Trust received dividends of £234,364 *(2022: £845,055)* from Taylor Clark Limited.

Taylor Clark Limited has supplied office accommodation and staff for the administration of the Trust. For these services, management fees of £32,400 *(2022: £32,400)*, inclusive of VAT have been paid by the Trust. There was no outstanding balance due to Taylor Clark Limited at the year-end *(2022: £nil)*. The table below shows staff costs included within the Taylor Clark management fee of £32,400.

Staff costs	**2023 Total**	2022 Total
	£	£
Wages and salaries	**13,700**	13,500
Social security costs	**1,890**	1,863
Employers' contributions to defined contribution pension scheme	**3,768**	3,713
Other employee benefits	**222**	232
	19,580	19,308

10 **Related party transactions** *(continued)*

Robin Clark and Briony Wilson are shareholders in Taylor Clark Limited.

Richard Bennison and Briony Wilson are directors of Taylor Clark Limited.

No trustee received any remuneration during the year *(2022: £nil).* No trustee received any reimbursement of expenses.

11 **Reconciliation of net movement in funds to net cash flow from operating activities**

	2023	2022
	£	£
Net movement in funds	**(1,584,243)**	17,589,048
Deduct interest income	**(867)**	(102)
Deduct legacy income	**-**	(16,316,655)
Deduct dividends and interest from investments	**(790,699)**	(1,345,976)
Deduct (gains) / add back losses on unrealised investments	**880,277**	(690,113)
(Gains) / losses realised on sale of investments	**(69,852)**	(593,825)
Decrease / (increase) in debtors	**366**	584,562
Increase / (decrease) in creditors	**480**	721
Net cash used in operating activities	**(1,564,538)**	(772,340)

THE UNDERWOOD TRUST

England & Wales - Charity number 266164

Accounts

Registered charity number 266164

THE UNDERWOOD TRUST

Financial Statements
for the year ended

5 April 2022

THE UNDERWOOD TRUST

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Trustees' annual report

The trustees have pleasure in presenting their report together with the financial statements for the year ended 5 April 2022.

Objectives and activities for the public benefit

The aims of the Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

For disclosure purposes grants are categorised under the following headings.

- Medicine and Health
- Education and The Arts
- Social Welfare
- The Environment and Wildlife

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting grant making policy.

Most of the grants are made to registered charities and so the trustees are confident they will further a charitable purpose to the public benefit. On the few occasions where grants are made to non-registered charitable organisations the trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately.

The trustees seek feedback on the actual use of the grants given, on how the grant was spent and achievements made. This approach is considered sufficient for monitoring the quality of the grants made. In any grant making there is always a necessary degree of trust that the application is honest and that the recipient will use the funds wisely. A personal knowledge of the recipient of the larger grants is therefore a key part of the Trust's approach to grant making.

The trustees have decided to give annual support to a number of charities and proactively seek out certain projects. This restricts the funds available for general applications and as such the Trust is closed to unsolicited applications.

Grant making policy and the application process

The Trust is granted wide powers to distribute funds for charitable purposes by the trust deed, having regard to any directions or wishes expressed by the founders in their lifetimes. The trustees have the power to make grants from the expendable endowment which was used to make grants during the year.

The application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision, including ensuring there is a clear public benefit. The Trust has a website containing general information about the Trust, together with details of our grant eligibility guidelines and an application form. All applicants must complete this form in order for their request to be further considered.

The website address is: www.theunderwoodtrust.org.uk

Trustees' annual report *(continued)*

All applications are reviewed by the trust manager on the basis of the policy set by the trustees. Final payment decisions are taken by the trustees.

The Trust will generally not fund:

- Individuals directly
- Political activities
- Commercial ventures or publications
- The purchase of vehicles including minibuses
- Overseas travel, holidays, and expeditions

Achievements and performance

Grant expenditure

Grant expenditure during the year was £1,317,198 and comprised a total of 32 grants or donations made to 29 beneficiaries. A list by recipient of the grant expenditure in the year is given in note 3. This compares with 35 grants or donations to 24 beneficiaries totalling £638,586 made during the year ended 5 April 2021.

The following summary gives a flavour of the types of projects funded in the year.

Medicine and Health

During the year £150,000 of grants were made to Bristol Speech Language Therapy Research Unit (BSLTRU) and comprised of two separate grants. A grant of £100,000 was made to aid the Cleft Collective Speech and Language Study (CC SL) who are working in partnership with the Cleft Collective Cohort Studies – a large scale national study of children born with cleft lip palate. The aim of the CC SL study is to build a dataset which can be used by researchers throughout the UK and beyond to understand the best treatment for children born with cleft lip and / or palate, and to investigate the biological and environmental causes of cleft, the best treatments for cleft and the impact of cleft on those affected and their families. A second grant of £50,000 was made towards BSLTRU staffing costs, this being the sixth consecutive year of support. This allowed research to be undertaken aimed at improving the lives of children and adults who have disorders of speech, language, and communication.

Key achievements to date:

- The core funding provided by the Trust between 2021/22 has resulted in £1,867,909 of research grants being awarded to BSLTRU
- 28 publications in respected peer-reviewed journals
- In 2021/22 five projects have been completed and seven new studies undertaken
- Members of BSLTRU have been invited to give presentations at a number of national and international events

A grant of £114,698 was made to Bristol Children's Hospital (Cardiac 3D Printing Unit) towards its ongoing core and capital costs. Since our initial donation (£120,700) in 2018 the unit has provided cutting edge and a transformational 3D printing service, to help revolutionise the care and treatment of cardiac patients from across the South West and beyond.

Trustees' annual report *(continued)*

Seven other grants totalling £175,000 were made. All of these were to charities where the Trust has given long term support.

Education and the Arts

A grant of £25,000 was made to Stage One which through their bursary scheme offers educational, financial, and mentoring development to new producers. This is the 15th consecutive year the Trust has supported the scheme.

Three other grants were made totalling £65,000. All of these were to charities where the Trust has given long term support.

Social Welfare

During the year, £150,000 of donations were made to the British Red Cross and comprised of three separate donations. A donation of £100,000 was made to the Ukraine Crisis by deploying emergency response specialists, resources, and volunteers to the area to help support the people of the Ukraine. A donation of £25,000 was made to the Haiti Earthquake Appeal and a donation of £25,000 was made to the Philippines Typhoon. This funding helped those most affected by these events by allowing staff and volunteers to provide vital medical services, psychosocial support, water, sanitation and hygiene, livelihood assistance, housing, and shelter.

A donation of £30,000 was made to Swindon Women's Aid a charity who are committed to empowering and supporting victims and survivors of domestic abuse. The funding covered the salary of a full time Youth Support Worker, who will conduct works across schools in Swindon. They will support young people who have experienced domestic abuse, both at home and in their own relationships in addition to educating young people on healthy relationships and boundaries.

A donation of £25,000 was made to James' Place who offer life-saving support to men in suicidal crisis by providing quick and free access to non-residential therapy and support.

Seven other grants totalling £157,500 were made. All of these were to charities where the Trust has given long term support.

The Environment and Wildlife

A grant of £300,000 was made to Greenpeace to support a global campaign to secure a UN Treaty for ocean protection. With the aim of creating a robust and legally binding treaty that will secure at least 30% of the world's oceans by 2030.

Key achievements this year:

- Over 80 countries have publicly stated their support for the 30x30 campaign, many of whom are part of the UK led Global Ocean Alliance
- Oil company Total pulls out of plans to drill in the mouth of the Amazon River due to important scientific evidence collected by Greenpeace
- Greenpeace has become a leading voice in Deep Sea Mining, exposing the self-serving structures and operations of mining companies and their greenwashing tactics

Trustees' annual report *(continued)*

- A comprehensive science programme was embarked upon by scaling the full length of the Atlantic Ocean in the two Greenpeace ships, Esperanza, and Arctic Sunrise. Over 20 scientific institutions from around the world were involved with over 30 scientists on board. The science and investigative research undertaken during the pole-to-pole expeditions resulted in an incredible 8 reports being released over 10 months exposing specific threats to the oceans and wildlife that live there
- Extensive global media and press coverage: with over 30 tier 1 journalists and 27 key influencers engaged (Hollywood actress Shailene Woodley's 8.6 million Instagram hits whilst sharing her time onboard in the Sargasso Sea); close to 4 million people worldwide have signed petitions to protect the world's oceans; during one year 7,840 media hits in 100 countries covering 37 languages.

Five other grants were made totalling £125,000. All of these were to charities where the Trust has given long term support.

Financial review

The total incoming resources for the year were £17,662,733 *(2021: £963,049)*.

The largest source of income is the legacy income received from Mr Colin Clark's estate of £16,316,655 *(2021: £Nil)*. Dividends received from Taylor Clark Limited of £845,055 *(2021: £504,009)*. Distributions of £500,921 *(2021: £459,039)* were received from the Trust's investment in twelve listed equity funds. Interest on deposits earned £102 *(2021: £1)*.

Investment gains in the year on the listed investments were £690,113 *(2021: increased £3,242,597)*

Investment changes

On 4 May 2021, this being the settlement of Mr Colin Clark's estate the Trust was gifted 2,545,500 Taylor Clark Limited Ordinary 'B' shares. The value of these shares at the time of transfer was £6.41 per share giving a total of £16,316,655.

During the year, the Trustees agreed to restructure the Investec portfolio to consist of 10 funds (excluding Link Equity Income) of approximately £1.5m invested in each fund. The resultant portfolio aims to achieve long-term capital growth and income yielding c3.0%.

Investment strategy and risk

The investment objective is to provide a reasonable level of income together with capital growth, sufficiently protecting the funds against inflation; enabling the Trust to meet its short-term grant making commitments. This will be achieved by investing primarily in UK Equity funds. However, these funds may also invest in other asset classes and instruments.

Currently the portfolio comprises 12 equity funds. Eleven of these investments are managed by Investec Wealth & Investment and one by Troy Asset Management Ltd. Investment performance is regularly reviewed, and an active relationship maintained with the fund managers to mitigate investment risk.

Trustees' annual report *(continued)*

There are many risks that may affect the long-term sustainability of the investments including inflation, interest rates, and political and economic uncertainty. The Trust deed grants the trustees wide powers of investment allowing assets to be invested in a variety of asset classes to alleviate against these risk factors. Asset classes could include cash, bonds, equities, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable for the Trust.

One of the funds was acquired in May 2016, one in November 2019, one in July 2020 with the remainder acquired during July and August 2021. The total return on the investments from these dates is £5,848,514 equivalent to a compound annual return of 7.8%, which exceeds the target return.

In addition the Trust will continue to hold the Taylor Clark Ordinary 'B' shares received during the year as these provide a substantial and sustainable dividend income.

Currently there is no specific social, environmental, or ethical investment policy regarding the investments.

Reserves policy

The investments of the Trust have been treated as an expendable endowment, as under the Trust deed the trustees have the power to distribute these funds. The resources expended in the year are less than incoming resources by £11,545 *(2021: surplus £285,177)*. The trustees have decided to transfer funds from the expendable endowment to cover the deficit in the unrestricted income fund.

The trustees consider the balance of funds should still be designated as an expendable endowment.

At the year end these reserves were £35,337,626 *(2021: £17,748,578)*.

At the year end £nil *(2021: £Nil)* of unrestricted funds were retained.

In the event of there being a surplus of unrestricted funds the trustees aim to have distributed all the available funds from the preceding year within six months of the year end and distribute a substantial amount of the current year's income within the year.

Future plans

The trustees' key objective is to make grants to support projects within the four priority areas, and to continue funding, where appropriate, many of the organisations where there are already established long term relationships.

Structure, governance, and management

The Underwood Trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973. The founders of the Trust were Robert Clark and Mary B L Clark.

The power of appointing new or additional trustees was vested in the founders during their joint lives and in the survivor during their life. Thereafter, the statutory power of appointing new trustees applies. New trustees are found from the contacts and networks of existing trustees. When a new trustee joins the board, they are provided with a pack of information including a copy of the trust deed,

Trustees' annual report *(continued)*

the most recent accounts, minutes of recent trustees' meetings, and are made aware of the information and support for trustees available on the Charity Commission website.

The trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity. Where appropriate, the Trust supports the training of trustees including, for example, attendance at seminars organised by the Trust's professional advisers and by the Association of Charitable Foundations and the Charity Finance Group.

The trustees are required to meet at least twice a year; at these meetings the trustees agree the broad strategy for the Trust, including consideration of grant making, investment, reserves, and risk management policies. The day-to-day administration is delegated to the trust manager who has regular contact with the trustees following her initial processing and appraisal of applications

The names of the trustees at the date of this report and throughout the year are shown on page 8.

The trustees have considered the major risks faced by the Trust and have reviewed those risks and established systems and procedures to manage and mitigate them.

The day-to-day administration of the Trust is managed by the staff of Taylor Clark Limited, under an agreement with the Charity Commission. The fee charged for this is shown in note 5. The trustees consider this is the most cost-effective way of running the Trust, as to set up an independent office and staff would incur far higher costs.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 and 10 respectively.

Trustees' annual report *(continued)*

Reference and administrative information

Trustees	Robin Clark OBE FCA Hon FRCSLT - Chairman Richard Bennison FCA Briony Wilson
Registered office	Ground Floor 20 York Street London W1U 6PU
Registered charity number	266164
Trust manager	Michele Judge ACMA
Bankers	Virgin Money 154 – 158 Kensington High St, London W8 7RL
Auditor	David Owen & Co 17 The Market Place, Devizes, Wiltshire SN10 1HT
Investment managers	Troy Asset Management Ltd 33 Davies Street, London W1K 4BP Investec Wealth & Investment Limited 30 Gresham Street, London EC2V 7QN

Trustees' annual report *(continued)*

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

Auditor

A resolution to re-appoint David Owen & Co as the Trust's auditor will be proposed at the next trustees meeting.

Approved by the trustees and signed on their behalf

R Bennison
Trustee

15 August 2022

Independent auditor's report to the trustees of The Underwood Trust

Opinion

We have audited the financial statements of The Underwood Trust (the 'charity') for the year ended 5 April 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 5 April 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities (on page 9), 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011 and applicable accounting standards.

- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.

- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: misappropriation of cash and other assets.

- We critically reviewed judgements and provisions included within the financial statements and examined the associated cut-off issues.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the trustees about actual and potential litigation and claims.

- We obtained independent confirmations from your bank regarding balances at the year-end in addition to any outstanding charges.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Owen & Co

David Owen & Co
Chartered Accountants
Statutory Auditor

17 The Market Place
Devizes
Wiltshire
SN10 1HT

David Owen & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

15 August 2022

THE UNDERWOOD TRUST

Statement of financial activities
Including income and expenditure account
For the year ending 5 April 2022

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2022 Total Funds £**	2021 Total Funds £
Income					
Legacy income		-	16,316,655	**16,316,655**	-
Investment income	2	1,346,078	-	**1,346,078**	963,049
Total income		1,346,078	16,316,655	**17,662,733**	963,049
Expenditure					
Raising funds:					
Investment management costs		**601**	-	**601**	598
Charitable activities:					
Grant expenditure	3	1,317,198	-	**1,317,198**	638,586
Grant related support costs	5	25,269	-	**25,269**	25,169
Governance costs	5	14,555	-	**14,555**	13,519
Cost of grant making		1,357,022	-	**1,357,022**	677,274
Total expenditure		1,357,623	-	**1,357,623**	677,872
Net income / (expenditure)		(11,545)	16,316,655	**16,305,110**	285,177
Transfer between funds	6	11,545	(11,545)	-	-
		-	16,305,110	**16,305,110**	285,177
Net gains / (losses) on investments					
Unrealised	7	-	690,113	**690,113**	3,242,597
Realised	11	-	593,825	**593,825**	(36,297)
		-	1,283,938	**1,283,938**	3,206,300
Net movement in funds		-	17,589,048	**17,589,048**	3,491,477
Reconciliation of funds					
Total funds brought forward		-	17,748,578	**17,748,578**	14,257,101
Total funds carried forward		-	35,337,626	**35,337,626**	17,748,578

THE UNDERWOOD TRUST

Statement of financial activities (continued)
Including income and expenditure account
For the year ending 5 April 2022

Comparative year information Year ended 5 April 2021	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	2021 Total Funds £
Income				
Investment income	2	963,049	-	**963,049**
Total income		963,049	-	**963,049**
Expenditure				
Raising funds:				
Investment management costs		598	-	**598**
Charitable activities:				
Grant expenditure	3	638,586	-	**638,586**
Grant related support costs	5	25,169	-	**25,169**
Governance costs	5	13,519	-	**13,519**
Cost of grant making		677,274	-	**677,274**
Total expenditure		677,872	-	**677,872**
Net income / (expenditure)		285,177	-	**285,177**
Transfer between funds	6	(285,177)	285,177	**-**
		-	285,177	**285,177**
Net gains / (losses) on investments				
Unrealised	7	-	3,242,597	**3,242,597**
Realised	11	-	(36,297)	**(36,297)**
		-	3,206,300	**3,206,300**
Net movement in funds		-	3,491,477	**3,491,477**
Reconciliation of funds				
Total funds brought forward		-	14,257,101	**14,257,101**
Total funds carried forward		-	17,748,578	**17,748,578**

THE UNDERWOOD TRUST

Balance sheet
As of 5 April 2022

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	2022 Total Funds £	2021 Total Funds £
Fixed assets					
Unlisted investments	7	-	16,316,655	**16,316,655**	-
Listed investments	7	-	17,665,093	**17,665,093**	16,421,291
Total fixed assets		-	33,981,748	**33,981,748**	16,421,291
Current assets					
Debtors	8	380	-	**380**	584,942
Cash		5,678	1,355,878	**1,361,556**	747,682
Total current assets		6,058	1,355,878	**1,361,936**	1,332,624
Liabilities					
Creditors: amounts falling due within one year	9	(6,058)	-	**(6,058)**	(5,337)
Net current assets		-	1,355,878	**1,355,878**	1,327,287
Total assets less current liabilities		-	35,337,626	**35,337,626**	17,748,578
Creditors: amounts falling due after one year		-	-	-	-
Net assets		-	35,337,626	**35,337,626**	17,748,578
The funds of the charity					
Expendable endowment fund		-	35,337,626	**35,337,626**	**17,748,578**
Unrestricted income fund		-	-	-	-
Total charity funds		-	35,337,626	**35,337,626**	**17,748,578**

The notes at pages 18 to 25 form part of these accounts.
Approved by the trustees on 15 August 2022 and signed on their behalf by:

R Bennison
Trustee

THE UNDERWOOD TRUST

Statement of cash flows
As of 5 April 2022

	Notes	2022 Total Funds £	2021 Total Funds £
Cash flows from operating activities			
Net cash used in operating activities	11	**(772,340)**	(759,436)
Cash flows from investing activities			
Interest and dividends		**1,346,078**	459,040
Proceeds from sale of investments		**11,007,392**	230,270
Equalisation on investments		**39,585**	-
Purchase of investments		**(11,006,841)**	(999,382)
Net cash generated by investing activities		**1,386,214**	(310,072)
Cash flows from financing activities			
		-	-
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents in the year		**613,874**	(1,069,508)
Cash and cash equivalents brought forward		**747,682**	1,817,190
Cash and cash equivalents carried forward		**1,361,556**	747,682

Notes to the financial statements
For the year ended 5 April 2022

1 Accounting policies

Charity information

The Underwood trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973.

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The financial statements 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment strategy and risk section in the trustees' annual report for more information).

1.2 Fund accounting

The Unrestricted Income Fund can be spent on any purpose within the Trust's objectives at the discretion of the trustees.

The Expendable Endowment Fund is primarily for income generation but is expendable at the trustees' discretion. During the year £11,545 *(2021: £285,177)* was expended in making grants and or covering the deficit which had arisen on the unrestricted fund.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Dividends from investments are recognised at their record date.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing the amount for

distribution after taking into consideration of any liabilities and settlement date and, if there are any conditions attached to the legacy, these are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of sufficient accuracy and the title to the asset having been transferred to the charity.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs are allocated to the activities either by direct attribution or an estimate of relative time involved. The majority of costs support the grant making activity and are so allocated.

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit, and legal fees together with an allocation of support costs.

The allocation of governance and support costs is analysed in note 5.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

The costs of raising funds consist of investment management fees.

1.5 Fixed asset investments

Quoted investments are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses, both realised and unrealised, are taken to the Statement of Financial Activities as they arise.

Unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/(expenditure) for the year.

1.6 Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price, net of transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably

1.8 Taxation

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

2 Incoming resources

	2022	2021
	£	£
Legacy income	**16,316,655**	-
Investment income		
Listed investments	**500,921**	459,039
Unlisted investments (UK)	**845,055**	504,009
Other interest	**102**	1
	17,662,733	963,049

3 Grant expenditure

	2021	2021
	£	£
Grants payable brought forward	-	(120,000)
Grants paid during the year	**1,317,198**	758,586
Grants payable carried forward	-	-
Grant expenditure during the year	**1,317,198**	638,586

3	**Grant expenditure** *(continued)*	**2022** £	2021 £
	Medicine and Health		
	Bristol Speech and Language Therapy Research Unit	**150,000**	
	Bristol Children's Hospital (Cardiac 3D printing programme)	**114,698**	
	Animal Free Research UK	**25,000**	
	Dorothy House Hospice	**25,000**	
	Julia's House Hospice	**25,000**	
	Living Paintings Trust	**25,000**	
	Restoration of Appearance & Function Trust	**25,000**	
	Wiltshire Air Ambulance	**25,000**	
	The British Stammering Association	**25,000**	
		439,698	281,036
	Education and The Arts		
	Farms for City Children	**25,000**	
	Stage One	**25,000**	
	Music for Youth	**25,000**	
	Pimlico Opera	**15,000**	
		90,000	102,550
	Social Welfare		
	The British Red Cross	**150,000**	
	Swindon Women's Aid	**30,000**	
	Community First (Youth Action Wiltshire)	**25,000**	
	James' Place	**25,000**	
	NSPCC	**25,000**	
	SnowCamp	**25,000**	
	Wiltshire Community Foundation	**25,000**	
	Windmill Hill City Farm	**25,000**	
	Ebony Horse Club	**22,500**	
	Separated Child Foundation	**10,000**	
		362,500	175,000
	The Environment and Wildlife		
	Greenpeace	**300,000**	
	Campaign to Protect Rural England	**25,000**	
	Friends of the Earth	**25,000**	
	The Brooke	**25,000**	
	Wilts & Berks Canal Trust	**25,000**	

3 Grant expenditure *(continued)*	2022	2021
Wiltshire Wildlife Trust	**25,000**	
	425,000	80,000
Total grants expenditure	**1,317,198**	638,586

4 Grant commitments

In addition to the grant expenditure noted above, the trustees at the last year end had authorised certain grants which were subject to them being satisfied that the recipient had fulfilled certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2022 was £1,500,000 *(2021: £Nil).*

The commitment of £1,500,000 over 5 years was communicated to Bristol Speech and Language Therapy Trust during the year to 5 April 2022 and is to commence in October 2022.

5 Allocation of support and governance costs

	Basis of apportion-ment	Grant making £	Governance £	**2022 Total £**	2021 Total £
Management fee	Work done	24,300	8,100	**32,400**	32,400
Subscriptions	Actual	261	87	**348**	348
Auditors remuneration	Actual	-	6,120	**6,120**	5,100
Web site costs	Actual	638	213	**851**	788
Sundries	Actual	70	35	**105**	52
Total		25,269	14,555	**39,824**	38,688

6 Transfers

A transfer of £11,545 *(2021: £285,177 was made from the unrestricted income fund to the endowment fund)* was made from the expendable endowment to the unrestricted income fund to cover the deficit on the unrestricted funds.

7 Fixed asset investments

	2022	2021
	£	£
Movement in fixed asset investments:		
Market value at 5 April 2021	**16,421,291**	12,445,879
Additions	**27,323,496**	999,382
Disposals	**(10,413,567)**	(266,567)
Equalisation	**(39,585)**	-
Unrealised investment gains / (losses)	**690,113**	3,242,597
Market value at 5 April 2022	**33,981,748**	16,421,291

Net cash used from investments in the year was £550 *(2021: £769,112 released from investments)*

Investments at fair value comprised:	2022	2021
	£	£
Listed investments	**17,665,093**	16,421,291
Unlisted investments (UK)	**16,316,655**	-
Total	**33,981,748**	16,421,291

Unrealised investment gains / (losses) represent the difference between the fair value of the investments at the beginning and end of the year adjusting for investment transactions during the year.

The unlisted investment is the holding of 2,545,500 Taylor Clark Limited B ordinary 10p shares *(2021: Nil B ordinary 10p shares).*

8 Debtors

	2022	2021
	£	£
Prepayments	**380**	238
Accrued income	**-**	584,704
	380	584,942

9 Creditors: amounts falling due within one year	2021 £	2021 £
Accruals	**6,058**	5,337
	6,058	5,337

10 Related party transactions

At 5 April 2022 the charity owned 2,545,500 *(2021: Nil)* ordinary B shares of 10p each representing 40.8% *(2021: 0%)* of the B shares in issue and 36.5% *(2021: 0%)* of the total shares in issue of Taylor Clark Limited. During the year, the Trust received dividends of £845,055 *(2021: £504,009)* from Taylor Clark Limited.

Taylor Clark Limited has supplied office accommodation and staff for the administration of the Trust. For these services, management fees of £32,400 *(2021: £32,400)*, inclusive of VAT have been paid by the Trust. There was no outstanding balance due to Taylor Clark Limited at the year-end *(2021: £nil)*. The table below shows staff costs included within the Taylor Clark management fee of £32,400.

Staff costs	2022 Total £	2021 Total £
Wages and salaries	**13,500**	13,500
Social security costs	**1,863**	1,863
Employers' contributions to defined contribution pension scheme	**3,713**	3,713
Other employee benefits	**232**	219
	19,308	19,295

Robin Clark and Briony Wilson are shareholders in Taylor Clark Limited.

Richard Bennison and Briony Wilson are directors of Taylor Clark Limited.

No trustee received any remuneration during the year *(2021: £nil)*. No trustee received any reimbursement of expenses.

11 Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds	**17,589,048**	3,491,477
Deduct interest income	**(102)**	(1)
Deduct legacy income	**(16,316,655)**	-
Deduct dividends and interest from investments	**(1,345,976)**	(459,039)
Deduct (gains) / add back losses on unrealised investments	**(690,113)**	(3,242,597)
(Gains) / losses realised on sale of investments	**(593,825)**	36,297
Decrease / (increase) in debtors	**584,562**	(465,392)
Increase / (decrease) in creditors	**721**	(120,181)
Net cash used in operating activities	**(772,340)**	(759,436)

12 Non-adjusting events after the reporting date 5 April 2022

Listed financial investments

The listed financial investments suffered a significant decrease in value at 30 June 2022 of £1.2m. This is due to the global outlook appearing more uncertain as markets confront an array of issues: the ongoing invasion of Ukraine by Russia, rising inflation, lower economic and earnings growth, high energy and food prices, disruption of supply chains and trade flows and central bank monetary tightening.

THE UNDERWOOD TRUST

England & Wales - Charity number 266164

Accounts

Registered charity number 266164

THE UNDERWOOD TRUST

Financial Statements
for the year ended

5 April 2021

THE UNDERWOOD TRUST

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Trustees' annual report

The trustees have pleasure in presenting their report together with the financial statements for the year ended 5 April 2021.

Objectives and activities for the public benefit

The aims of the Trust are to fund a wide range of activities that will positively impact individuals and the environment. We award a number of grants per annum to organisations that both share these aspirations and have the ability to deliver on their programmes.

For disclosure purposes grants are categorised under the following headings.

- Medicine and Health
- Education and The Arts
- Social Welfare
- The Environment and Wildlife

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting grant making policy.

Most of the grants are made to registered charities and so the trustees are confident they will further a charitable purpose to the public benefit. On the few occasions where grants are made to non-registered charitable organisations the trustees consider carefully how the funds will be used and make those grants with conditions to ensure they are spent appropriately.

The trustees seek feedback on the actual use of the grants given, on how the grant was spent and achievements made. This approach is considered sufficient for monitoring the quality of the grants made. In any grant making there is always a necessary degree of trust that the application is honest and that the recipient will use the funds wisely. A personal knowledge of the recipient of the larger grants is therefore a key part of the Trust's approach to grant making.

The trustees have decided to give annual support to a number of charities and proactively seek out certain projects. This restricts the funds available for general applications and as such the Trust is closed to unsolicited applications.

Grant making policy and the application process

The Trust is granted wide powers to distribute funds for charitable purposes by the trust deed, having regard to any directions or wishes expressed by the founders in their lifetimes. The trustees have the power to make grants from the expendable endowment which was used to make grants during the year.

The application process is designed to be as easy as possible whilst still drawing out the key information needed for a decision, including ensuring there is a clear public benefit. The Trust has a website containing general information about the Trust, together with details of our grant eligibility guidelines and an application form. All applicants must complete this form in order for their request to be further considered.

The website address is: www.theunderwoodtrust.org.uk

Trustees' annual report *(continued)*

All applications are reviewed by the trust manager on the basis of the policy set by the trustees. Final payment decisions are taken by the trustees.

The Trust will generally not fund:

- Individuals directly
- Political activities
- Commercial ventures or publications
- The purchase of vehicles including minibuses
- Overseas travel, holidays, and expeditions

Achievements and performance

Emergency funding

The Covid-19 pandemic continues to have devasting effects on the charity sector with many charities experiencing critical shortfalls in their ability to raise income. The Trust was able to make five special donations totalling £100,000 to the following charities: Community First (Youth Action Wiltshire), Dorothy House Hospice, Farms for City Children, Julia's House Hospice and The Living Paintings Trust who were in need of additional support.

The estate of Mr Colin Clark

During the year the Trust was bequeathed 2,545,500 (£0.10p B ordinary non-voting) shares in Taylor Clark Limited from Mr Colin Clark's estate. On 25 November 2021, Grant of Probate was given. The Inheritance (Provision for Family and Dependants) Act of 1975 sets down that a claim must be brought within 6 months of the date of the Grant of Probate, which in this case would be 25 May 2021.
On the 15 March 2021, the clearance certificate was received from HMRC agreeing the share valuation method and the share transfer was completed on 4 May 2021.
As of 5 April 2021, the date of these financial statements, the dividends accrued at the time of Mr Colin's Clark death totalled £504,009 and were subsequently paid to the Trust on 5 May 2021, after the share transfer was completed. The recognition of the shareholding in Taylor Clark Limited was effective on the date the share transfer was completed and will be shown in the financial statements for the year ending 5 April 2022.

Grant expenditure

Grant expenditure during the year was £638,586 and comprised a total of 24 grants. A list by recipient of the grant expenditure in the year is given in note 3. This compares with 23 grants totalling £965,000 made during the year ended 5 April 2020.

The following brief summary gives a flavour of the types of projects funded in the year.

Medicine and Health

During the year £106,036 of grants were made to Bristol Speech Language Therapy Research Unit (BSLTRU) and comprised 3 separate grants. A grant of £50,000 was made towards the unit's staffing costs, this being the fifth consecutive year of support. This allowed research to be undertaken aimed at improving the lives of children and adults who have disorders of speech, language, and communication. A grant of £41,500 was made to establish a new 'Audio logo' which will address the

Trustees' annual report *(continued)*

difficulties and barriers people living with speech, language, hearing, and communication problems faced when using the telephone. The 'Audio-logo' will allow people to quickly convey their status when using the telephone, this will alert those on the other end of the telephone who can then respond appropriately. A final grant of £14,536 was made to fund research into understanding the impact of wearing facemasks and using virtual meeting platforms during the Covid-19 pandemic for individuals who stammer.

Key achievements to date:

- The core funding provided by the Trust between 2016 to 2021 has resulted in £1,081,008 of research grants being awarded to BSLTRU
- 2 pieces of commissioned work by The Royal College of Speech and Language Therapists
- 8 industry awards
- Supported 7 clinical speech and language internships

The Trust made Covid-19 emergency funding donations of £20,000 respectively to Dorothy House Hospice, Julia's House Hospice and The Living paintings Trust. In addition, a regular donation of £20,000 was also paid to each charity.

A grant of £15,000 was made to Animal Free Research UK whose main aim is to accelerate humane relevant medical research by promoting biotech innovation to replace animals in laboratories.

Two other grants totalling £40,000 were made. Both of these were to charities where the Trust has given long term support.

Education and the Arts

A grant of £20,000 was made to Stage One which through their bursary scheme offers educational, financial, and mentoring development to new producers. This is the 14th consecutive year the Trust has supported the scheme.

The Trust made a Covid-19 emergency donation of £20,000 to Farms for City Children in addition to a regular grant of £20,000.

A grant of £12,550 was made to Separate Doors, who are a not-for-profit theatre company for actors and performers with learning disabilities. The grant has helped fund the Sailmaker's project which aims to develop new theatre writing for an integrated cast of actors with and without learning disabilities and create a training model for the theatre industry using the Silent Approach (a pioneering non-verbal method allowing all kinds of actors to work together with equality) to make top end theatre efficiently and effectively.

Two other grants were made totalling £30,000. Both of these were to charities where the Trust has given long term support.

Social Welfare

A donation of £25,000 was made to the British Red Cross towards the Beirut Appeal due to a devastating explosion in the port of Beirut which caused widespread destruction. The funding helped the Red Cross to reach those affected by deploying emergency response specialists, resources, and volunteers to the area.

Trustees' annual report *(continued)*

The Trust made a Covid-19 emergency donation of £20,000 to Community First (Youth Action Wiltshire) in addition to a regular grant of £20,000.

A donation of £10,000 was made to the Separated Child Foundation who offer practical, social, and emotional support to separated children and young people who arrive alone seeking asylum in the United Kingdom.

Five other grants totalling £100,000 were made. All of these were to charities where the Trust has given long term support.

The Environment and Wildlife

During the year four grants totalling £80,000 were made. All of these were to charities where the Trust has given long term support.

Financial review

The total incoming resources for the year were £963,049 *(2020: £792,314)*.

The largest source of income is the dividends received from Taylor Clark Limited of £504,009 *(2020: Nil)*. Distributions of £459,039 *(2020: £792,214)* were received from the Trust's investment in five UK listed equity funds. Interest on deposits earned £1 *(2020: £100)*.

Investment gains in the year on the listed investments were £3,242,597 *(2020: decreased £3,715,336)*

Winding up process - Link Equity Income Fund (formerly named LF Woodford Equity Income Fund)

Since the fund formerly moved into wind-up on the 18 January 2020 the Trust had received two capital distribution of £1,736,734 on the 31 January 2020 and a second capital distribution of £117,065 on 27 March 2020. Further to this a third distribution of £149,753 was received on 27 August 2020 and a fourth distribution of £80,518 was received on 16 December 2020.

It is intended that further distribution payments will be made. However, Link Fund Solutions (LFS) are unable to advise on the exact timing and/or amounts of these future capital distributions. LFS have informed investors that the assets that remain to be sold are the less liquid assets of the Fund and it is expected that some of these assets will not be sold until late 2021. Therefore, for the purposes of these financial statements, no value has been ascribed to any future capital distribution that may be received.

Other investment changes

During the year the Trust purchased 175,000 shares for a total of £999,382 in the iShares UK Dividend ETF.

Investment strategy and risk

The investment objective is to provide a reasonable level of income together with capital growth, sufficiently protecting the funds against inflation; enabling the Trust to meet its short-term grant making commitments. This will be achieved by investing primarily in UK Equity funds. However, these funds may also invest in other asset classes and instruments.

Trustees' annual report *(continued)*

Currently the portfolio comprises five UK equity funds. Four of these investments are managed by Investec Wealth & Investment and one by Troy Asset Management Ltd. Investment performance is regularly reviewed, and an active relationship maintained with the fund managers to mitigate investment risk.

There are many risks that may affect the long-term sustainability of the investments including inflation, interest rates, and political and economic uncertainty. The Trust deed grants the trustees wide powers of investment allowing assets to be invested in a variety of asset classes to alleviate against these risk factors. Asset classes could include cash, bonds, equities, hedge funds, structured products, private equity, commodities, and any other asset that is deemed suitable for the Trust.

Three of the funds were acquired in May 2016, one in November 2019 and one in July 2020. The total return on the investments from these dates is £4,070,217 equivalent to a compound annual return of 3.1%, which exceeds the target return.

Currently there is no specific social, environmental, or ethical investment policy regarding the investments.

Reserves policy

The investments of the Trust have been treated as an expendable endowment, as under the Trust deed the trustees have the power to distribute these funds. The resources expended in the year are less than incoming resources by £285,177 *(2020: deficit £210,817)*. The trustees have decided to transfer the balance on the unrestricted income fund to the expendable endowment.

The trustees consider the balance of funds should still be designated as an expendable endowment.

At the year end these reserves were £17,748,578 *(2020: £14,257,101)*.

At the year end £nil *(2020: £Nil)* of unrestricted funds were retained.

In the event of there being a surplus of unrestricted funds the trustees aim to have distributed all the available funds from the preceding year within six months of the year end and distribute a substantial amount of the current year's income within the year.

Future plans

The trustees' key objective is to make grants to support projects within the four priority areas, and to continue funding, where appropriate, many of the organisations where there are already established long term relationships.

Structure, governance, and management

The Underwood Trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973. The founders of the Trust were Robert Clark and Mary B L Clark.

The power of appointing new or additional trustees was vested in the founders during their joint lives and in the survivor during their life. Thereafter, the statutory power of appointing new trustees

Trustees' annual report *(continued)*

applies. New trustees are found from the contacts and networks of existing trustees. When a new trustee joins the board, they are provided with a pack of information including a copy of the trust deed, the most recent accounts, minutes of recent trustees' meetings, and are made aware of the information and support for trustees available on the Charity Commission website.

The trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity. Where appropriate, the Trust supports the training of trustees including, for example, attendance at seminars organised by the Trust's professional advisers and by the Association of Charitable Foundations and the Charity Finance Group.

The trustees are required to meet at least twice a year; at these meetings the trustees agree the broad strategy for the Trust, including consideration of grant making, investment, reserves, and risk management policies. The day-to-day administration is delegated to the trust manager who has regular contact with the trustees following her initial processing and appraisal of applications

The names of the trustees at the date of this report and throughout the year are shown on page 8.

The trustees have considered the major risks faced by the Trust and have reviewed those risks and established systems and procedures to manage and mitigate them.

The day-to-day administration of the Trust is managed by the staff of Taylor Clark Limited, under an agreement with the Charity Commission. The fee charged for this is shown in note 5. The trustees consider this is the most cost-effective way of running the Trust, as to set up an independent office and staff would incur far higher costs.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 and 10 respectively.

Trustees' annual report *(continued)*

Reference and administrative information

Trustees	Robin Clark OBE FCA Hon FRCSLT - Chairman Richard Bennison FCA Reg Harvey (resigned 15 July 2020) Briony Wilson
Registered office	Ground Floor 20 York Street London W1U 6PU
Registered charity number	266164
Trust manager	Michele Judge ACMA
Bankers	Clydesdale Bank plc 154 – 158 Kensington High St, London W8 7RL
Auditor	David Owen & Co 17 The Market Place, Devizes, Wiltshire SN10 1HT
Investment managers	Troy Asset Management Ltd 33 Davies Street, London W1K 4BP Investec Wealth & Investment Limited 30 Gresham Street, London EC2V 7QN

Trustees' annual report *(continued)*

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

Auditor

A resolution to re-appoint David Owen & Co as the Trust's auditor will be proposed at the next trustees meeting.

Approved by the trustees and signed on their behalf

R Bennison
Trustee

7 July 2021

Independent auditor's report to the trustees of The Underwood Trust

Opinion

We have audited the financial statements of The Underwood Trust (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as of 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 '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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities (on page 9), 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011 and applicable accounting standards.

- We enquired of the trustees and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.

- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following area: misappropriation of cash and other assets.

- We critically reviewed judgements and provisions included within the financial statements and examined the associated cut-off issues.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

- We enquired of the trustees about actual and potential litigation and claims.

- We obtained independent confirmations from your bank regarding balances at the year-end in addition to any outstanding charges.

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Owen & Co

David Owen & Co
Chartered Accountants
Statutory Auditor

17 The Market Place
Devizes
Wiltshire
SN10 1HT

David Owen & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

7 July 2021

THE UNDERWOOD TRUST

Statement of financial activities
Including income and expenditure account
For the year ending 5 April 2021

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2021 Total Funds £**	2020 Total Funds £
Income					
Investment income	2	963,049	-	**963,049**	792,314
Total income		963,049	-	**963,049**	792,314
Expenditure					
Raising funds:					
Investment management costs		598	-	**598**	635
Charitable activities:					
Grant expenditure	3	638,586	-	**638,586**	965,000
Grant related support costs	5	25,169	-	**25,169**	24,001
Governance costs	5	13,519	-	**13,519**	13,495
Cost of grant making		677,274	-	**677,274**	1,002,496
Total expenditure		677,872	-	**677,872**	1,003,131
Net income / (expenditure)		285,177	-	**285,177**	(210,817)
Transfer between funds	6	(285,177)	285,177	-	-
		-	285,177	**285,177**	(210,817)
Net gains / (losses) on investments					
Unrealised	7	-	3,242,597	**3,242,597**	(3,715,336)
Realised	11	-	(36,297)	**(36,297)**	(1,128,035)
		-	3,206,300	**3,206,300**	(4,843,371)
Net movement in funds		-	3,491,477	**3,491,477**	(5,054,188)
Reconciliation of funds					
Total funds brought forward		-	14,257,101	**14,257,101**	19,311,289
Total funds carried forward		-	17,748,578	**17,748,578**	14,257,101

THE UNDERWOOD TRUST

Statement of financial activities (continued)
Including income and expenditure account
For the year ending 5 April 2021

Comparative year information Year ended 5 April 2020	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	2020 Total Funds £
Income				
Investment income	2	792,314	-	**792,314**
Total income		792,314	-	**792,314**
Expenditure				
Raising funds:				
Investment management costs		635	-	**635**
Charitable activities:				
Grant expenditure	3	965,000	-	**965,000**
Grant related support costs	5	24,001	-	**24,001**
Governance costs	5	13,495	-	**13,495**
Cost of grant making		1,002,496	-	**1,002,496**
Total expenditure		1,003,131	-	**1,003,131**
Net income / (expenditure)		(210,817)	-	**(210,817)**
Transfer between funds	6	210,817	(210,817)	**-**
		-	(210,817)	**(210,817)**
Net gains / (losses) on investments				
Unrealised	7	-	(3,715,336)	**(3,715,336)**
Realised	11	-	(1,128,035)	**(1,128,035)**
		-	(4,843,371)	**(4,843,371)**
Net movement in funds		-	(5,054,188)	**(5,054,188)**
Reconciliation of funds				
Total funds brought forward		-	19,311,289	**19,311,289**
Total funds carried forward		-	14,257,101	**14,257,101**

THE UNDERWOOD TRUST

Balance sheet
As of 5 April 2021

	Notes	Unrestricted Income Fund £	Expendable Endowment Fund £	**2021 Total Funds £**	2020 Total Funds £
Fixed assets					
Investments	7	-	16,421,291	**16,421,291**	12,445,879
Total fixed assets		-	16,421,291	**16,421,291**	12,445,879
Current assets					
Debtors	8	584,942	-	**584,942**	119,550
Cash		(579,605)	1,327,287	**747,682**	1,817,190
Total current assets		5,337	1,327,287	**1,332,624**	1,936,740
Liabilities					
Creditors: amounts falling due within one year	9	(5,337)	-	**(5,337)**	(125,518)
Net current assets		-	1,327,287	**1,327,287**	1,811,222
Total assets less current liabilities		-	17,748,578	**17,748,578**	14,257,101
Creditors: amounts falling due after one year		-	-	-	-
Net assets		-	17,748,578	**17,748,578**	14,257,101
The funds of the charity					
Expendable endowment fund		-	17,748,578	**17,748,578**	14,257,101
Unrestricted income fund		-	-	-	-
Total charity funds		-	17,748,578	**17,748,578**	14,257,101

The notes at pages 18 to 25 form part of these accounts.
Approved by the trustees on 7 July 2021 and signed on their behalf by:

R Bennison
Trustee

THE UNDERWOOD TRUST

Statement of cash flows
As of 5 April 2021

	Notes	2021 Total Funds £	2020 Total Funds £
Cash flows from operating activities			
Net cash used in operating activities	11	**(759,436)**	(1,160,290)
Cash flows from investing activities			
Interest and dividends		**459,040**	792,314
Proceeds from sale of investments		**230,270**	6,384,713
Purchase of investments		**(999,382)**	(4,467,125)
Net cash used by investing activities		**(310,072)**	2,709,902
Cash flows from financing activities			
		-	-
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents in the year		**(1,069,508)**	1,549,612
Cash and cash equivalents brought forward		**1,817,190**	267,578
Cash and cash equivalents carried forward		**747,682**	1,817,190

Notes to the financial statements
For the year ended 5 April 2021

1 Accounting policies

Charity information

The Underwood trust is an unincorporated trust, founded under a Deed of Trust dated 1 July 1973, and had its registration with The Charity Commission for England and Wales, number 266164, accepted on 31 August 1973.

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The financial statements 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment strategy and risk section in the trustees' annual report for more information).

1.2 Fund accounting

The Unrestricted Income Fund can be spent on any purpose within the Trust's objectives at the discretion of the trustees.

The Expendable Endowment Fund is primarily for income generation but is expendable at the trustees' discretion. During the year £Nil *(2020: £210,817)* was expended in making grants and or covering the deficit which had arisen on the unrestricted fund.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Dividends from investments are recognised at their record date.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing the amount for

distribution after taking into consideration of any liabilities and settlement date and, if there are any conditions attached to the legacy, these are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of sufficient accuracy and the title to the asset having been transferred to the charity.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs are allocated to the activities either by direct attribution or an estimate of relative time involved. The majority of costs support the grant making activity and are so allocated.

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit, and legal fees together with an allocation of support costs.

The allocation of governance and support costs is analysed in note 5.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

The costs of raising funds consist of investment management fees.

1.5 Fixed asset investments

Quoted investments are initially measured at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All gains and losses, both realised and unrealised, are taken to the Statement of Financial Activities as they arise.

1.6 Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price, net of transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method,

less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably

1.8 Taxation

The Trust is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

2 Incoming resources

	2021	2020
	£	£
Investment income		
Listed investments	**459,039**	792,214
Unlisted investments	**504,009**	
Other interest	**1**	100
	963,049	792,314

3 Grant expenditure

	2021	2020
	£	£
Grants payable brought forward	**(120,000)**	(155,000)
Grants paid during the year	**758,586**	1,000,000
Grants payable carried forward	**-**	120,000
Grant expenditure during the year	**638,586**	965,000

Medicine and Health

Bristol Speech and Language Therapy Research Unit	**106,036**
Dorothy House Hospice	**40,000**
Living Paintings Trust	**40,000**
Julia's House Hospice	**40,000**
Restoration of Appearance & Function Trust	**20,000**

3	Grant expenditure *(continued)*	2021	2020
		£	£
	The British Stammering Association	**20,000**	
	Animal Free Research UK	**15,000**	
		281,036	130,000
	Education and The Arts		
	Farms for City Children	**40,000**	
	Stage One	**20,000**	
	Music for Youth	**20,000**	
	Separate Doors	**12,550**	
	Pimlico Opera	**10,000**	
		102,550	80,000
	Social Welfare		
	Community First (Youth Action Wiltshire)	**40,000**	
	British Red Cross (Beirut appeal)	**25,000**	
	Ebony Horse Club	**20,000**	
	NSPCC	**20,000**	
	SnowCamp	**20,000**	
	Windmill Hill City Farm	**20,000**	
	The Maytree Respite Centre	**20,000**	
	The Separated Child Foundation	**10,000**	
		175,000	195,000
	The Environment and Wildlife		
	Wilts & Berks Canal Trust	**20,000**	
	Campaign to Protect Rural England	**20,000**	
	The Brooke	**20,000**	
	Friends of the Earth	**20,000**	
		80,000	560,000
	Total grants expenditure	**638,586**	965,000

Notes to the financial statements
For the year ended 5 April 2021

4 Grant commitments

Currently there are no authorised grant commitments.

5 Allocation of support and governance costs

	Basis of apportion-ment	Grant making £	Governance £	**2021 Total £**	2020 Total £
Management fee	Work done	24,300	8,100	**32,400**	31,591
Subscriptions	Actual	261	87	**348**	331
Auditors remuneration	Actual	-	5,100	**5,100**	5,460
Web site costs	Actual	591	197	**788**	79
Sundries	Actual	17	35	**52**	35
Total		25,169	13,519	**38,688**	37,496

6 Transfers

A transfer of £285,177 *(2020: £210,817 was made from the expendable endowment to the unrestricted income fund to cover the deficit on the unrestricted funds)* was made from the unrestricted income fund to the endowment fund.

7 Fixed asset investments

	2021 £	2020 £
Movement in fixed asset investments:		
Market value at 5 April 2020	**12,445,879**	19,206,838
Additions	**999,382**	4,467,125
Disposals	**(266,567)**	(7,512,748)
Unrealised investment gains / (losses)	**3,242,597**	(3,715,336)
Market value at 5 April 2021	**16,421,291**	12,445,879

Net cash used from investments in the year was £769,112 *(2020: £1,917,588 released from investments)*

7 **Fixed asset investments** *(continued)*

Investments at fair value comprised:	2021 £	2020 £
Equity funds	**16,421,291**	12,445,879
Total	**16,421,291**	12,445,879

Unrealised investment gains / (losses) represent the difference between the fair value of the investments at the beginning and end of the year adjusting for investment transactions during the year.

8 **Debtors**

	2021 £	2020 £
Prepayments	**238**	233
Accrued income	**584,704**	119,317
	584,942	119,550

9 **Creditors:** amounts falling due within one year

	2021 £	2020 £
Grants payable	-	120,000
Accruals	**5,337**	5,518
	5,337	125,518

10 Related party transactions

Taylor Clark Limited has supplied office accommodation and staff for the administration of the Trust. For these services, management fees of £32,400 *(2020: £31,590)*, inclusive of VAT have been paid by the Trust. There was no outstanding balance due to Taylor Clark Limited at the year-end *(2020: £nil)*. The table below shows staff costs included within the Taylor Clark management fee of £32,400.

Staff costs	**2021 Total £**	2020 Total £
Wages and salaries	**13,500**	13,700
Social security costs	**1,863**	1,891
Employers' contributions to defined contribution pension scheme	**3,713**	3,163
Other employee benefits	**219**	203
	19,295	19,012

Robin Clark and Briony Wilson are shareholders in Taylor Clark Limited.

Richard Bennison and Briony Wilson are directors of Taylor Clark Limited.

No trustee received any remuneration during the year *(2020: £nil)*. No trustee received any reimbursement of expenses.

11 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	**3,491,477**	(5,054,188)
Deduct interest income	**(1)**	(100)
Deduct dividends and interest from investments	**(459,039)**	(792,214)
Deduct (gains) / add back losses on unrealised investments	**(3,242,597)**	3,715,336
(Gains) / losses realised on sale of investments	**36,297**	1,128,035
Decrease / (increase) in debtors	**(465,392)**	(119,200)
Increase / (decrease) in creditors	**(120,181)**	(37,959)
Net cash used in operating activities	**(759,436)**	(1,160,290)

12 Contingent assets

In respect of the 2,545,500 (£0.10p B ordinary non-voting) shares in Taylor Clark Limited bequeathed by Mr Colin Clark. On 25 November 2021, Grant of Probate was given. The Inheritance (Provision for Family and Dependants) Act of 1975 sets down that a claim must be brought within 6 months of the date of the Grant of Probate, which in this case would be 25 May 2021. At the year end, therefore, a further claim could have been made against the estate which could have reduced the legacy receivable. As the interest of the charity cannot be reliably measured at the year end, the legacy has not been recognised as income.