

THE HEADLEY TRUST

ANNUAL REPORT

5 APRIL 2021

The Peak
5 Wilton Road
London SW1V 1AP

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THE HEADLEY TRUST

5 April 2021

Legal and Administrative

The Headley Trust (No. 266620) was established under a Trust Deed dated 4 July 1973 and became a registered charity on 20 February 1974.

Trustees	The Rt Hon Sir Timothy Sainsbury Lady Susan Sainsbury Mr T J Sainsbury OBE Miss J S Portrait OBE Mrs C D Woodward Mrs A McCrystal	
Registered Office	The Peak 5 Wilton Road London SW1V 1AP	
Principal Officers	Mrs K Everett Mrs H McLeod Ms T Haldar Mrs K Hooper Ms H Marriott Mrs E Ponte Mr M Williams Miss S Levander	Chief Operating Officer Lead Executive Executive Executive Executive Executive Executive Administrator
	All the Principal Officers are employed on a part-time basis (see Note 6 on page 27).	
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Investment Advisers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	

Investment Powers

The Trust Deed empowers the Trustees to appoint investment advisers, who have discretion to invest the funds of the Trust within guidelines established by the Trustees.

Objects

The objects of the Trust as given in the Trust Deed are for general charitable purposes.

Organisation

The Trust is one of the Sainsbury Family Charitable Trusts (SFCT), which share a common administration.

Trustees are appointed by the Settlor and are provided with relevant information relating to their responsibilities as Trustees.

Trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Trust has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

The remuneration of the senior staff (including key management personnel) is reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the SFCT Management Committee benchmarks pay levels against comparable positions in similar organisations.

The Trust and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. The Trust does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

The Trustees are responsible for the overall direction and supervision of the Headley Trust; they set the Trust's strategy, review proposals and approve grants. The Trustees delegate day-to-day operations to the Trust's Lead Executive, Helen McLeod.

Policies

During the year the Trustees considered proposals under the following categories:

- Arts and Heritage - UK
- Arts and Heritage - Overseas
- Developing Countries
- Education
- Health and Social Welfare

Proposals are generally invited by the Trustees or initiated at their request. Trustees aim to support innovative schemes that can be successfully replicated or become self-sustaining. Trustees do not normally make grants to individuals. A significant number of revenue support grants were made within the above categories to support organisations affected by the Covid-19 pandemic. These grants were made to previously funded organisations, and to organisations with grant schemes for other organisations and individuals.

There have been no significant changes in the grant-making policies of the Trust over the period under review.

Reserves Policy

It is the policy of the Trustees to approve grants for payment over a period of years, subject to certain conditions over the life of the grant. Those expected to be paid within twelve months of the year end are accrued in the accounts, whilst those due to be paid later than this are not accrued. These are referred to in note 4 to the accounts and amount to £226,040. They represent funds earmarked for continued support to certain existing beneficiaries, although formal commitments have not yet been made.

The Trustees consider that when possible it is appropriate to hold free funds, both to meet the short-term working capital needs of the Trust and in anticipation of the potential payment of subsequent grant instalments. In the unlikely event that the Trustees find themselves unable to meet current commitments from unrestricted reserves, they would be willing to draw on expendable endowment in order to meet those commitments as they see fit. The costs of grant-making during the year exceeded the available income, resulting in a deficit on the unrestricted reserves of the charity as at 5 April 2021. The trustees considered the extent to which this deficit would be met by future income and concluded that it would be appropriate to make a transfer of £1.3 million from expendable endowment which is included within the Statement of Financial Activities.

Cash flow projections for income and expenditure are regularly reviewed to ensure that the level of available resources is adequate and that the Trust is in a position to meet all its commitments.

As at 5 April 2021, the Trust held total funds of £79.4 million, comprising an expendable endowment fund of £79.1 million and unrestricted reserves of £0.3 million.

Investment Policy and Performance

Trustees meet with their investment managers regularly to discuss investment strategy and also to seek to ensure that the Trust's income requirements are met, and that long-term capital growth is in line with relevant indices. The Trustees normally hold investments for the long term and look principally to income for their grant making, supplemented by the use of capital where requested.

The Trust's main portfolio rose in value over the past 12 months, producing a total return net of all costs of +27.7% as markets rebounded from their March 2020 nadir on the back of supportive monetary and fiscal policy provided by governments and central banks globally. Performance was well ahead of the portfolio's long-term UK CPI +4% target, which rose +4.5% over the period. Having outperformed its composite benchmark in recent years, the portfolio's relative performance this year was more challenging despite the strong absolute return, with the composite benchmark rising +29.8%.

As at 5 April 2021, J Sainsbury shares represented 6.2% of the Trust's value.

The Trust received £2,143,088 of income over the twelve-month period and £1.5m of capital was withdrawn.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, systems are in place to meet such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees identified the uncertainty of financial returns to constitute the charity's major financial risk. This is mitigated by having a diversified financial portfolio under the management of a major investment house. The Trustees regularly review investment strategy and monitor financial performance. They also operate a grant distribution formula which helps to ensure the stability of resources available for grant awards in any given year.

Another major risk is a misuse of funds by a beneficiary. To mitigate this risk the Trustees normally restrict grants to charities registered with the Charity Commission or equivalent bodies. The awards are made following a thorough assessment and grants are regularly monitored; multi-year grants are paid only on receipt of satisfactory progress reports.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on public benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information which follows in this annual report, about the Trust's aims, activities and achievements in the many areas of interest that the Trust supports demonstrates the benefit to its beneficiaries, and through them to the public, that arise from those activities.

Review of the Past Period

The Trustees met four times during the year to make grants and further twice to review investment activity.

The asset value of the Trust increased by 21% from £65.5 million at 5 April 2020 to £79.4 million at 5 April 2021. The net unrestricted income of the Trust for the year after charging grant related support costs was £1.7 million compared to £1.8 million for the year to 5 April 2020.

During the year grants to the value of £2.8 million were approved. Certain grants are payable over more than one year and those due to be paid after 5 April 2022 are not accrued in these accounts and amounted to £226k at the year end. Grants paid of £3.4 million to 5 April 2021 include payments from capital as follows:

Art Fund	£250,000
Dorset County Museum	£30,000
British Museum Archaeological Research Collection	£250,000
Worcester College	£500,000

Trustees have decided that the best way of benchmarking the expenses incurred in running the charity is to measure these costs relative to its day-to-day activity of grant-making, as income alone is an unsuitable benchmark for charitable activity. On that basis, grant related support costs represented 14% of the value of grants paid, which totalled £3.4 million (2020: 12%).

GRANTS APPROVED

Grants approved during the period may be analysed by number and by value in the categories set out below:

	Grants Approved	Value £
Arts and Heritage - UK	124	1,674,720
Arts and Heritage - Overseas	7	87,122
Developing Countries	11	198,500
Education	17	235,280
Health and Social Welfare	110	557,760
	269	2,753,382

Revenue Support grants are listed within the categories below.

ARTS AND HERITAGE - UK - £1,674,720

Trustees funded a wide variety of projects to conserve and enhance important aspects of the UK's cultural heritage. This included support for:

- Regional museums and galleries, with special consideration for curatorial support and acquisitions;
- The display, study, and acquisition of British ceramics;
- Conservation of industrial, maritime and built heritage;
- Archaeology;
- Arts education/outreach and access to the arts for disabled and disadvantaged people;
- The Headley Museums Archaeological Acquisition Fund.

Beamish Museum - £20,000

Towards the Working Georgian Pottery exhibit.

Caistor Roman Project - £5,000

Towards further excavation costs at Venta Icenorum in Norfolk.

Cornwall Museum Partnerships - £9,000

Towards the film project for care homes.

Dorset County Museum - £30,000

Towards the purchase of the Dewlish Mosaic.

Hepworth Wakefield - £20,000

Towards the costs of a 10th anniversary exhibition about Barbara Hepworth's art and life in the UK.

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Heritage Trust of Lincolnshire - £7,500

Towards the Culture Truck Project.

Ironbridge Gorge Museum Trust - £40,000

Towards restoration costs of the roof of the Museum of the Gorge.

Maldon Town Council/Thomas Plume Library Trust - £21,000

Towards renovations of the Thomas Plume Library.

Modern Art Oxford - £10,000

Towards general costs.

MV Balmoral Fund Ltd - £5,000

Towards the deck repairs for MV Balmoral.

National Lobster Hatchery - £20,000

Towards the New Chapter project (increase of visitor centre space).

Norwich Castle Museum & Art Gallery - £10,000

To fund an extension for the post of Assistant Curator for a period of six months.

Railway Paths - £40,000

Towards the repairs of the Bennerley Viaduct.

Solent Sky Museum - £20,000

Towards the conservation and repair programme for Solent Sky Museum's LV78 Calshot Spit.

South Downs National Park Trust - £30,000

Towards the Phase 1 restoration - Fernhurst Furnace Project.

St Albans Museum - £5,000

Towards the conservation work on the Napoleonic bone ship.

The Sainsbury Archive - £125,000

Towards running costs for the five years to 2024/25.

Tullie House Museum & Art Gallery - £45,000

To support the employment of a new Biodiversity Curator.

Unicorn Preservation Society - £5,000

Towards the buoyancy project so that vital repairs to the hull can be carried out.

Woolf Institute - £25,000

Towards the salary costs of the Development Director.

Another 17 smaller grants were awarded within AHUK totalling £22,470.

Arts & Heritage - UK Covid-19 Revenue Support grants:

Art Fund - National Art Collections Fund - £100,000

Towards its Respond and Reimagine grants programme for Covid-19 support to organisations.

Corn Exchange Trust - two grants totalling £15,000

De La Warr Pavilion Charitable Trust - £7,500

Holocaust Educational Trust - £15,000

Museum Freelance Network - two grants totalling £15,000

Museum of the Home - £10,000

Museums Association Benevolent Fund - £10,000

National Holocaust Centre & Museum - £10,000

National Maritime Museum Cornwall - £10,000

Newbury Spring Festival - £7,500

Opera Holland Park Friends - £10,000

Potteries Museum & Art Gallery - £10,000

Stained Glass Museum Trust, Ely - £10,000

University of Oxford - Ashmolean Museum - £20,000

University of Oxford, Worcester College - two grants totalling £500,000

Watermill Theatre Trust - two grants totalling £25,000

Windermere Jetty Museum - £15,000

The Cathedrals Programme – £171,000

Trustees funded repair work to the fabric of ancient cathedrals and large churches of exceptional architectural merit (pre 18th-century). Modern amenities, organ repair/restoration and choral scholarships are not normally eligible.

Carlisle Cathedral Development Trust - £20,000

Towards the renewal of rainwater goods at Carlisle Cathedral.

Halifax Minster - £30,000

Towards fabric repairs.

Hexham Abbey - £15,000

Towards the costs of stabilising the stonework of the Chancel East End.

Manchester Cathedral - £20,000

Towards the cost of replacing the lead roof to the Quire and minor repairs to the Chapter House roof.

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Newcastle Cathedral - £20,000

Towards the repositioning and conservation cost of the Unknown Knight.

Salisbury Cathedral - £30,000

Towards the conservation of a cross on St Peter's Gable.

St Mary's Church, Beverley - £36,000

Towards the restoration of the south nave clerestory.

The Headley Museums Archaeological Acquisition Fund – £23,250

This scheme was established in 2004 to help regional and local museums raise the funds to purchase treasure items and archaeological artefacts found in the UK. It is a partnership with the Arts Council England/Victoria and Albert Museum Purchase Grant Fund. 11 grants totalling £23,250 were awarded this year to the following museums, making a total of 333 since the scheme began.

Craven Museum & Gallery
Halesworth and District Museum
Ludlow Museum
Lynn Museum
Museum of Somerset
North Lincolnshire Museum
Shrewsbury Museum & Art Gallery
The Collection Museum, Lincoln

The Parish Churches Programme – £175,500

Funding was given for fabric repairs to listed medieval parish churches in sparsely populated and less prosperous rural areas. Urban churches are not eligible, and trustees do not fund the construction or refurbishment of church halls, kitchen facilities or other modern amenities except for the provision or upgrade of parish church toilet facilities and disabled access.

Grants amounting to £35,250 were made in the Diocese of Ely:

All Saints Church, Morborne
All Saints Church, Rampton
St Andrew's Church, Northwold
St Augustine's Church, Burrough Green
St Bartholomew's Church, Great Stukeley
St John the Evangelist's Church, Little Wilbraham
St Mary & The Holy Host of Heaven's Church, Cheveley
St Mary the Virgin's Church, Beachamwell
St Mary-the-Less Church, Westley Waterless
St Peter ad Vincula's Church, Coveney
St Peter's Church, Carlton

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Grants amounting to £30,250 were made in the Diocese of Llandaff:

St Andrew's Church, St Andrew Major
St Hilary's Church, St Hilary
St Ilan's Church, Eglwysilan
St Iltud's Church, Llantwit Major
St Mary the Virgin's Church, St Mary Church
St Tyfodwg's Church, Glynogwr

Grants amounting to £37,500 were made in the Diocese of Norwich:

All Saints Church, Crostwright
St Botolph's Church, Trunch
St James' Church, Southrepps
St Martin's Church, Thompson
St Mary the Virgin's Church, North Elmham
St Mary the Virgin's Church, Pulham St Mary
St Michael & All Angels Church, Swanton Abbott
St Nicholas Church, Bracon Ash
St Nicholas Church, North Lopham
St Peter & St Paul's Church, East Harling
St Peter & St Paul's Church, Fornsett St Peter

Grants amounting to £32,750 were made in the Diocese of St Asaph:

St Collen's Church, Llangollen
St Derfel's Church, Llanderfel
St Llŵchaiarn's Church, Llanmerewig
St Mael and St Sulien Church, Corwen
St Mary's Church, Llanfair Talhaiarn
St Mary's Church, Nercwys
St Nicholas Church, Montgomery
St Sadwrn's Church, Henllan
St Tysilio's Church, Llantysilio

Grants amounting to £13,000 were made in the Diocese of St David:

St Mary's Church, Begelly
St Michael's Church, Llanfihangel y Creuddyn
St Patrick's Church, Pencarreg

Grants amounting to £26,750 were made in the Diocese of St Edmundsbury & Ipswich:

All Saints Church, Hacheston
All Saints Church, Hartest
St Andrew and St Patrick's Church, Elveden
St Lawrence's Church, South Cove
St Mary the Virgin's Church, East Bergholt
St Mary the Virgin's Church, Nettlestead
St Peter & St Paul's Church, Wangford
St Peter's Church, Creeting St Peter

ARTS AND HERITAGE - OVERSEAS - £87,122

Trustees supported conservation and recording of heritage (including ecclesiastical & vernacular architecture, archaeology and cultural artefacts), primarily in South Eastern Europe (Slovenia, Croatia, Albania, Greece, Macedonia, Bulgaria, Romania, Serbia, Montenegro, Bosnia-Herzegovina), as well as Ethiopia.

Funding supported raising awareness of heritage issues in these countries; supporting the capacity of new heritage NGOs; training the next generation of conservation and heritage professionals; engaging young people in their heritage. Priority was given to locally led organisations employing local experts.

Balkan Museum Network - £13,500

Towards its small grants scheme.

Boulouki - £25,000

Towards core funding to help the organisation consolidate and grow.

Cultural Association of Tigray - £5,000

Towards the provision of training about the cultural and economic value of the country's heritage.

The Friends of Aphrodisias Trust - £15,000

To part excavate, study, conserve and publish finds on the House of Kybele at the Aphrodisias site in Turkey.

Monumentum - £10,000

To create technical plans and assess the feasibility and costs of restoring the Saxon Church in Roades, Romania.

Venice in Peril Fund - £8,622

Towards the 'water-proofing' of San Nicolo.

Zenica City Museum - £10,000

To train museum staff and other heritage professionals in the dying craft of model making, to restore historically significant models and to attract new young visitors to the museum.

DEVELOPING COUNTRIES - £198,500

Trustees prioritised development initiatives in sub-Saharan Anglophone Africa and agreed to consider core funding to organisations and projects that test new approaches, with priority given to locally led organisations employing local experts. The two main themes for this category are:

- Education – helping girls to continue their education beyond primary school, improving students' access to secondary and tertiary education, and projects to improve the quality of teaching;
- Healthcare – trachoma prevention and treatment programmes in Ethiopia and care for mothers and infants across sub-Saharan Anglophone Africa.

In exceptional cases, Trustees agreed to consider requests for support for access to safe water, promoting better use of water resources and sanitation projects.

Adeso African Development Solutions - £37,500

Towards core costs.

Home Start Uganda - £30,000

To train local volunteers in Western Uganda to educate vulnerable families in nutrition and health needs of infants to reduce the rate of 'stunting'.

Microloan Foundation - £42,500

To support its loan programmes for women entrepreneurs in Zambia.

Purposeful - £35,000

To enable the organisation to respond flexibly to meet the health and education needs of girls in Sierra Leone in the wake of Covid-19.

Tiwale Community Based Organization - £10,000

Towards core costs.

Another two smaller grants were awarded in the Developing Countries category totalling £3,500.

Developing Countries Covid-19 Revenue Support grants:

Adeso African Development Solutions - £5,000

African Medical & Research Foundation (AMREF) - £15,000

International Health Partners - £10,000

Orbis Charitable Trust - (formerly known as Orbis International) - £10,000

EDUCATION - £235,280

The main focus was to provide bursaries for UK students (principally postgraduate) of music and dance, as well as apprenticeships and vocational training in conservation and heritage skills.

Conservation

Centre for Textile Conservation and Technical Art History - £20,000

To support students on the MPhil Textile Conservation Course.

City & Guilds of London Art School - £30,000

To support BA/MA students on the Conservation of Cultural Artefacts course.

University of York - £20,000

To provide bursaries for UK postgraduates on the MA in Stained Glass Conservation and Management programme.

Music/Dance

International Musicians Seminar - £30,000

To support talented postgraduate British students to study chamber music.

Royal Academy of Dance - £30,780

To provide one full and two part-bursaries in each year for students on the Certificate/Diploma in Ballet Teaching Studies programme.

Royal Northern College of Music - £30,000

Towards bursaries for UK postgraduate musicians.

Southbank Sinfonia - £18,000

To provide two bursaries of £9,000 each for orchestra posts.

Another three smaller grants were awarded in the Education category totalling £4,000.

Education Covid-19 Revenue Support grants:

Council of Christians and Jews - £5,000

Dance Professionals Fund - £10,000

Guildhall School of Music & Drama - £7,500

Royal College of Music - £7,500

Royal Northern College of Music - £7,500

Royal Opera House Benevolent Fund - £10,000

University of York - £5,000

HEALTH AND SOCIAL WELFARE - £557,760

The priority areas were:

- **Supporting older people** – projects that encourage older people to live independently for as long as possible; projects to improve older people's quality of life in residential care homes, including supporting people with dementia; carers' projects;
- **Disadvantaged families and young people** – projects that support families, including pre-school children; parenting education;
- Small grants providing practical aids for disabled people.

Age UK County Durham - £40,000

Towards core costs.

Age UK Reading - £5,000

Towards running costs.

Care & Repair England - £52,500

Towards the salary of an officer for the north of England.

Entelechy Arts - £40,000

Towards core costs.

Equal Arts - £20,000

Towards core costs.

Family Links - £40,000

Towards core costs.

FareShare - £25,000

Towards its response to the coronavirus pandemic.

Marriage Foundation - £20,000

Towards core costs.

Turtle Key Arts - £20,000

Towards core costs.

Tutor Trust - £40,000

Towards tuition for children in their last two years of primary school to support their transition to secondary school.

Another 26 smaller grants were awarded totalling £40,000.

Health and Social Welfare Covid-19 Revenue Support grants:

Alive Activities - £10,000

Attend Ltd - £10,000

Best Beginnings - £15,000

Hackney Quest - two grants totalling £20,000

Home-Start UK - £20,000

Jamie's Farm - £18,500

King's Cross Brunswick Neighbourhood Association (KCBNA) - £15,000

Live Music Now - £7,500

Living Paintings Trust - £15,000

Re-Engage - £15,000

Voices Foundation - £10,000

Aids for Disabled People

The Trustees awarded a number of small grants for aids for people with varying disabilities, channelled through organisations such as charities, councils, hospitals, social services and Citizens Advice Bureaux. Grants were awarded for a range of equipment, including, but not limited to, the following:

- Specially adapted computer systems;
- Communication equipment;
- Specialised chairs;
- Wheelchairs;
- Electric scooters;
- Specialist beds.

62 grants totalling £59,260 were awarded for these purposes during the period.

Grants Cancelled

Grants totalling £12,960 were cancelled, refunded or amended during the period.

Future Plans

The Trust will continue to support the activities set out on page 6 by the award of grants. Trustees will continue to support long standing beneficiaries to help them overcome the challenges of the Covid-19 pandemic.

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

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

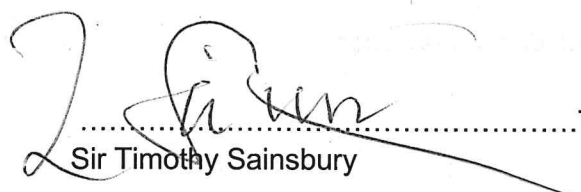
Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity 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 its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Approved by the Board of Trustees on 20 October 2021 and signed on their behalf by


.....TRUSTEE
Sir Timothy Sainsbury

Independent Auditor's Report to the Trustees of The Headley Trust

Opinion

We have audited the financial statements of The Headley Trust ('the charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

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

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

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

THE HEADLEY TRUST

5 April 2021

cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 25 January 2022

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted Funds £'000	Expendable Endowment £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income					
Income from investments	2	2,159	-	2,159	2,127
Donations and gifts			-	-	100
Total income and endowments		2,159	-	2,159	2,227
Expenditure					
Cost of raising funds					
Investment management costs	3	-	312	312	287
Charitable activities					
Grant-making:					
Grant expenditure	4	3,020	-	3,020	3,064
Grant related support costs	5	463	-	463	411
Cost of grant-making		3,483	-	3,483	3,475
Total expenditure		3,483	312	3,795	3,762
Net operating deficit		(1,324)	(312)	(1,636)	(1,535)
Currency exchange (losses)/gains			1,062	1,062	(654)
Net (losses)/gains on investments		-	14,527	14,527	(4,280)
Transfers between funds	11	1,300	(1,300)	-	-
Net movement in funds		(24)	13,977	13,953	(6,469)
Reconciliation of funds					
Total funds brought forward		310	65,175	65,485	71,954
Total funds carried forward		286	79,152	79,438	65,485

The notes on pages 22 to 29 form part of these accounts.

THE HEADLEY TRUST

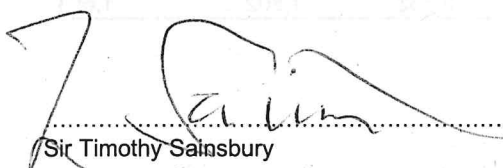
5 April 2021

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	7	30	14
Investments	8	80,597	66,760
		80,627	66,774
CURRENT ASSETS			
Debtors	9	106	558
Cash at bank and in hand		354	395
		460	953
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	10	1,649	2,242
NET CURRENT LIABILITIES		(1,189)	(1,289)
NET ASSETS		<u>79,438</u>	<u>65,485</u>
CAPITAL FUNDS			
Expendable endowment	11	79,152	65,175
INCOME FUNDS			
Unrestricted funds	11	286	310
		<u>79,438</u>	<u>65,485</u>

The financial statements were approved and authorised for issue by the Trustees on 20 October 2021 and were signed on their behalf by :

 TRUSTEE
Sir Timothy Sainsbury

The notes on pages 22 to 29 form part of these accounts.

THE HEADLEY TRUST
5 April 2021

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Net cash (used in) operating activities	<u>(2,877)</u>	<u>(4,933)</u>
Cash flows from investing activities		
Dividends and interest	2,154	2,177
Purchase of investments	(22,553)	(21,662)
Sale of investments	24,929	23,237
Net cash generated by investing activities	<u>4,530</u>	<u>3,752</u>
Change in cash and cash equivalents in the year	1,654	(1,181)
Cash and cash equivalents at the beginning of the year	<u>1,802</u>	<u>2,983</u>
Cash and cash equivalents at the end of the year	<u><u>3,456</u></u>	<u><u>1,802</u></u>

	2021	2020
	£'000	£'000
Reconciliation of net expenditure to net cash flow from operating activities		
Net movement in funds	13,953	(6,469)
(Gains)/losses on investments	(14,527)	4,280
Dividends and interest	(2,154)	(2,177)
Exchange (gains)/ losses	8	(182)
Depreciation charge	11	7
Decrease in debtors	452	111
Decrease in creditors	(593)	(503)
Fixed assets additions	(27)	-
Net cash (used in) operating activities	<u><u>(2,877)</u></u>	<u><u>(4,933)</u></u>

Analysis of the balance of cash as shown in the balance sheet

	2021	2020	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	354	395	(41)
Cash balances held by investment manager for reinvestment	3,102	1,407	1,695
	<u>3,456</u>	<u>1,802</u>	<u>1,654</u>

NOTES TO THE ACCOUNTS

CHARITY INFORMATION

The charity is unincorporated and registered in England and Wales with the Charity Commission (registration number 266620).

The address of the registered office is:

The Peak
5 Wilton Road
London
SW1V 1AP

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS102.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The investment portfolios have performed strongly during the year and have recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year. The endowment assets of the Trust remain significant, and these will continue to return income to the Trust. The level of income generated by the portfolios has now stabilised and the Trust will continue to pay out to its beneficiaries in accordance with the provisions of the Trust Deed.

b) Income

Income is shown gross, including the associated tax credit unless the tax so deducted is considered irrecoverable.

Dividends are included by reference to their due dates.

Interest is recorded when it has been received.

c) Expenditure

Costs of generating funds represent amounts paid to the Trust's external investment advisors.

Charitable activities expenditure comprises grants and donations awarded by the Trustees in accordance with the criteria set out in the Trust Deed, together with grant related support costs.

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the period-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

Grant related support costs represent staff, office and governance costs incurred in managing the grant award programme.

d) Costs of administration

These costs include a share of the staff and office costs of the joint offices of the Sainsbury Family Charitable Trusts, which are allocated in proportion to the time spent on Trust matters and grants paid.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES continued

f) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.
Investments are shown at mid market value.
Partial disposals are accounted for using average book value.

g) Financial instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

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

At the balance sheet date the charity held financial assets at fair value of £77,495k (2020: £65,353k).

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, cash held for reinvestment and short term deposit.

i) Fixed assets

Fixed assets are depreciated at rates which reflect their useful life to the Trust. Leashold improvements are depreciated over the life of the lease.

j) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE ACCOUNTS

2. INCOME FROM INVESTMENTS

Income received on investments is as follows:

	2021		2020	
	£'000	%	£'000	%
Government fixed interest	110	5	105	5
Other fixed interest	177	8	160	8
UK equities	528	24	627	30
Overseas equities	1,083	50	918	42
Property	98	5	160	8
Alternative investments	145	7	109	5
Multi assets	15	1	33	2
Interest	3	0	15	1
	2,159	100	2,127	100

3. COST OF GENERATING FUNDS

These costs relate to the investment manager's fees. The Trustees are of the opinion that these relate to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

4. GRANTS PAYABLE

	2021		2020	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Commitments at 6 April 2020		1,757		2,255
Grants not accrued at 6 April 2020	506		733	
Grants approved in the year	2,753		2,900	
Grants cancelled, refunded or amended	(13)		(64)	
Grants not accrued at 5 April 2021	(226)		(505)	
Grants payable for the year		3,020		3,064
Grants paid during the year		(3,373)		(3,562)
Commitments at 5 April 2021		<u>1,404</u>		<u>1,757</u>
Commitments at 5 April 2021 are payable as follows:				
		2021		2020
		£'000		£'000
Within one year (note 10)		<u>1,404</u>		<u>1,757</u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities. The total amount authorised but not accrued as expenditure at 5 April 2021 was £226,040 (2020: £505,592). This total will be wholly payable during 2022/23.

The trustees are confident that these authorised amounts will be met from future income.

NOTES TO THE ACCOUNTS

4. GRANTS PAYABLE continued

The amounts payable in the year consisted of the following:

£

Arts and Heritage - UK

Art Fund	100,000
British Museum Development Trust	250,000
University of Oxford, Worcester College	500,000
Net grants payable/cancelled up to £40,000	998,812

Arts and Heritage - Overseas

Friends of Aphrodisias Trust	15,000
Boulouki	25,000
Net grants payable/cancelled up to £13,500	47,122

Developing Countries

Adeso African Development Solutions	37,500
Purposeful	35,000
Microloan Foundation	37,500
Net grants payable/cancelled up to £30,000	113,500

Education

City & Guilds of London Art School	30,000
International Musicians Seminar	30,000
Royal Northern College of Music	30,000
Net grants payable/cancelled up to £20,000	180,740

Health and Social Welfare

Care & Repair England	52,500
Live Music Now	30,000
Tutor Trust	50,000
Net grants payable/cancelled up to £30,000	457,300

Total grants payable per Statement of Financial Activities

3,019,974

5. GRANT RELATED SUPPORT COSTS

	Grant-making	Governance	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
Staff costs	312	4	316	269
Share of joint office costs	83	-	83	80
Direct costs including travel	4	-	4	11
Depreciation	11	-	11	7
	410	4	414	367
Legal and professional fees	14	-	14	7
Consultancy	21	-	21	24
Auditors' remuneration	-	14	14	13
	445	18	463	411

During the year no Trustee received any remuneration or reimbursement of expenses (2020: NIL).

NOTES TO THE ACCOUNTS

6. ANALYSIS OF STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	258	218
Social security costs	28	25
Other pension costs	29	26
	315	269

As mentioned in Note 1a, the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 4.1% (2019/20:3.7%) of the total support and administration costs of these trusts have been allocated to the Headley Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2010/21.

The total number of staff employed during the year was 13, all on a part-time basis (2019/20: 15). This equates to 3.5 full-time employees (2019/20: 4.1).

Having regard to the small number of employees, the Trust considers its key management personnel to comprise of 7 part-time staff (2019/20: 7). The total employment benefits, including employer contributions to group personal pensions, of these key management personnel, were £192,223 (2019/20: £168,092). No employee earned in excess of £60,000 in either year.

No Trustee received any remuneration for their services or reimbursement of expenses during the current or prior year.

7. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2021	2020
	£'000	£'000
Cost		
At 6 April 2020	68	68
Additions	27	-
At 5 April 2021	95	68
Depreciation		
At 6 April 2020	54	47
Charge for the year	11	7
At 5 April 2021	65	54
Net Book Value		
At 5 April 2021	30	14
At 5 April 2020	14	21

THE HEADLEY TRUST

5 April 2021

NOTES TO THE ACCOUNTS

8. FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
Market value 5 April 2020	65,337	71,192
Less: Disposals at proceeds	(24,930)	(23,237)
Add: Acquisitions at cost	22,553	21,662
Net gains on investments	14,527	(4,280)
Market value 5 April 2021	77,487	65,337
Forward exchange contracts	8	16
Investment cash	3,102	1,407
Total investments	80,597	66,761

The investments held as at 5 April 2021 were as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Fixed Income	8,501	8,716	7,917	8,407
UK Equities	11,385	16,394	10,304	11,925
Global Equities	27,021	40,251	24,642	29,805
Property	2,476	2,605	2,476	2,643
Alternative Investments	7,788	9,032	7,967	8,922
Other	489	489	3,694	3,634
	57,660	77,487	57,000	65,337

Investments include the following holding at market value:

U.K. Equities - J Sainsbury Plc - £4,961,007 (2019/20; £5,074,866)

As part of the overall management of funds, the investment managers have entered into commitments to sell a total of CHF 956,000, EUR 3,628,500 and USD 13,687,000 and buy a total of CHF 470,000 under forward rate contracts at 5 April 2021. (2020: to sell CHF 1,366,000, EUR 1,369,500, and USD 13,777,000 and buy USD 4,200,000).

All contracts mature on 17 June 2021 and are included within investments as forward exchange contracts.

During the year £1,500,000 (2020 £1,400,000) was disinvested from the investment portfolio to support the Trust's grant expenditure.

9. DEBTORS

	2021	2020
	£'000	£'000
Investment sales	-	407
Other debtors	106	151
	106	558

10. CREDITORS - amounts falling due within one year

	2021	2020
	£'000	£'000
Grants payable within one year	1,404	1,757
Investment purchases	-	352
Professional charges	18	17
Other creditors	79	75
Intercompany	148	41
	1,649	2,242

NOTES TO THE ACCOUNTS

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£'000	£'000	£'000
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	30	30
Investments	-	80,597	80,597
Current assets	1,606	(1,147)	459
Current liabilities	(1,320)	(328)	(1,648)
Total net assets	286	79,152	79,438

Movement in the year

Opening balance as at 5 April 2020	310	65,175	65,485
Total income and endowments	2,159	-	2,159
Cost of raising funds	-	(312)	(312)
Cost of grant-making	(3,483)	-	(3,483)
Currency exchange gains	-	1,062	1,062
Net gains on investments	-	14,527	14,527
Transfers between funds	1,300	(1,300)	-
Closing balance as at 5 April 2021	286	79,152	79,438

A transfer of £1,300k (2020: £1,300k) was made from Expendable Endowment to Unrestricted Funds to cover the deficit during the year.

Comparative

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£'000	£'000	£'000
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	14	14
Investments	-	66,760	66,760
Current assets	1,475	(522)	953
Current liabilities	(1,165)	(1,077)	(2,242)
Total net assets	310	65,175	65,485

Movement in the year

Opening balance as at 5 April 2019	258	71,696	71,954
Total income and endowments	2,227	-	2,227
Cost of raising funds	-	(287)	(287)
Cost of grant-making	(3,475)	-	(3,475)
Currency exchange (losses)	-	(654)	(654)
Net gains on investments	-	(4,280)	(4,280)
Transfers between funds	1,300	(1,300)	-
Closing balance as at 5 April 2020	310	65,175	65,485

12. RELATED PARTY TRANSACTIONS

Included within grant-related support costs is a total of £7,476 (2020: £7,470) payable for legal services to Portrait Solicitors, a firm in which Miss J S Portrait is a partner, of which £3,816 (£3,618:2019/20) was unpaid at year end and it is included within creditors.

NOTES TO THE ACCOUNTS

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Unrestricted Funds	Expendable Endowment	Total Funds 2020
	£'000	£'000	£'000
Income			
Income from investments	2,127	-	2,127
Donations and gifts	100		100
Total income and endowments	2,227	-	2,227
Expenditure			
Cost of raising funds			
Investment management costs	-	287	287
Charitable activities			
Grant-making:			
Grant expenditure	3,064	-	3,064
Grant related support costs	411	-	411
Cost of grant-making	3,475	-	3,475
Total expenditure	3,475	287	3,762
Net operating deficit	(1,248)	(287)	(1,535)
Currency exchange (losses)/gains		(654)	(654)
Net gains on investments	-	(4,280)	(4,280)
Transfers between funds	1,300	(1,300)	-
Net movement in funds	52	(6,521)	(6,469)
Reconciliation of funds			
Total funds brought forward	258	71,696	71,954
Total funds carried forward	310	65,175	65,485