

THE CHARLES WALLACE INDIA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE CHARLES WALLACE INDIA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr John Falconer Professor William Gould Dr Mallica Kumbera Landrus Ms Catherine Stephens
Charity number	283338
Registered office	c/o Harwood Hutton 4 Devonshire Street London W1W 5DT
Auditor	Harwood Hutton Limited 4 Devonshire Street London W1W 5DT
Bankers	Coutts & Co 440 Strand LONDON WC2R 0QS
Investment advisors	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

THE CHARLES WALLACE INDIA TRUST

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THE CHARLES WALLACE INDIA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their annual report and financial statements for the year ended 5 April 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's deed, 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 Charities SORP).

Structure, governance and management

The Trust was set up by means of a Declaration of Trust dated 29 May 1981 as amended by a deed of Variation on 19 April 2002. It is registered with the Charity Commissioners with Charity Number 283338. It is exempt from taxation. The British Council, exercising their right under clause 9(d) (iv) of the Trust, retired their corporate trusteeship with effect from 12 May 2017. Catherine Stephens has continued as an ordinary trustee. The Trustees who served during the year were:

Ms Caroline Douglas (retired 7 May 2021)
Mr John Falconer (appointed 29 May 2020)
Prof William Gould (appointed 29 May 2020)
Dr Yasmin Khan (resigned 29 May 2020)
Dr Mallica Kumbera Landrus
Ms Catherine Stephens

Trustees are appointed through a process of recommendation and interview. In good time before a trustee is due to step down, suggestions for a replacement are made and possible candidates are approached. Those who express interest are invited to write, saying what they believe they can offer the trust. Shortlisted candidates are then interviewed by a trustee and the Secretary, who make a recommendation to the other trustees. The main aim is to ensure that trustees have the right level of expertise in the fields covered by our grant giving, and that they demonstrate a commitment to the aims of the trust.

Objectives and activities for the public benefit

Under the Declaration of Trust, the Trustees are empowered to use all or any of the capital or income of the fund for the provision of financial assistance for either

- Men and women of Indian nationality who are domiciled and normally resident in India to enable them to travel to the United Kingdom to follow a course of study, research or other educational pursuit: or
- Any charitable institution in the United Kingdom serving persons of Indian nationality domiciled and normally resident in India

In the event of the Trust failing, the Trustees are empowered to use funds for charitable purposes generally.

Operations of the Trust are governed by the Trustees. They are assisted by the Secretary of the Trust, Ms Shreela Ghosh with the general administration of the Trust.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

THE CHARLES WALLACE INDIA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Grant making policy

The Trust's offer is publicised widely through its own website (www.charleswallaceindiatrust.com) and also the web pages of British Council India. Information about grants and seminars are also disseminated via the Charles Wallace India Trust Facebook Group page and by word of mouth. In addition, the grants are publicised by the UK host institutions through their networks and on their websites. Applications are received from across India.

Applicants are required to outline how they will benefit directly through the grant or scholarship. In addition, they are required to tell us about the wider impact of the grant on Indian society, i.e. how it will benefit Indian people. This is in keeping with Charles Wallace's Will.

Visiting Fellowships (including artists' residencies): as well as benefiting the individual grantee, these fellowships are also designed to benefit the UK host institutions, enabling them to develop and maintain mutually beneficial links with India.

Programme

The overall policy of the Trust is to support education, training and professional development through attachments in the UK. The grantees are post-graduate students, research scholars and professionals active in the arts, heritage conservation and the humanities. Grant-making has been disrupted by the pandemic in 2021, and there were no new scholarships awarded for postgraduate study. However, awards were made in the two other grant-giving categories (see below).

Visiting Fellowships (including artists' residences and summer schools): these grants enable the scholars/artists to visit the UK in a professional capacity for research and/or training for a few months.

Research Grants: these short-term grants (around 3 to 4 weeks) enable researchers, usually at a doctoral or post-doctoral level to visit particular libraries and other institutions.

India Visit: Broadly, the objectives of the annual India Visit are to understand recent developments related to:

- Arts and Heritage Conservation in India
- Meet British Council colleagues
- Meet key external stakeholders
- Discussions with CWITs about their careers and CWIT's direction in the coming years.
- British Council's current priorities in Higher Education and in the Arts, wider societal issues/changing trends in India
- Opportunity to exchange information and discuss challenges

Fundraising approach

The charity does not raise any funds from the public.

THE CHARLES WALLACE INDIA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Financial review

As at 5 April 2021 the unrestricted funds totalled £6,902,944 (2020: £5,690,403).

Income for the year was investment income and interest on deposit totaling £179,159 (2020: £245,951). £30,966 was spent on awards (2020: £231,944) and £4,500 was spent on governance (2020: £4,500). Expenditure on governance cost for the period under review is fully disclosed within the notes to the accounts. Investment management fees were £22,525 (2020 £24,451).

The grants expenditure in 2020/21 was considerably less than in previous years because the grantees were unable to come to the UK for their studies and/or professional development, due to the pandemic. In each case the term of the award has been extended, so that grantees can avail themselves of the funding until April 2023. The generosity of the Trust has been appreciated by the grantees who are planning to conduct their research in 2022/23. Consequently, the trustees have needed to create designated funds of £66,000 to support two Scholarships and 15 Research Grants from the 2020/21 cohort, in the following year and anticipate to be expended by the end of the 2022/23 financial year.

Our investment managers attend trustee meetings and present both their reports on investment performance and any recommendations they may have for changes. Trustees are also kept informed through the quarterly reports. The trust investment policy is to maintain a level of income consistent with our grant giving while maintaining capital growth. The Secretary attends more general briefings arranged by Cazenove Capital Management and also specialist sessions on areas like ethical investing.

The investment objective continues to be to maximise capital and income growth in real terms, whilst maintaining income consistent with the needs of the Trust.

Over the past two years, our approach to investment has changed as Trustees are concerned about the environment and keen to see how our funding can support Cazenove's ESG (Environmental, Social and Governance) goals. That is why £1 million is invested in the Responsible Multi-Asset Fund which is regulated by the Charity Commission and the FCA.

Reserves policy

It is the policy of the Trustees that unrestricted funds not invested and which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure with a minimum of £30,000 held on deposit. At the year end unrestricted fund not invested or designated stood at £219,530 (2020: £154,949). The aim of this fund is to enable the Trust to maintain maximum activity through fluctuation in income. In 2020/21 Trustees have been very concerned about the volatility of the financial markets and the potential impact, i.e. reduction in income. We have liaised with Cazenove more frequently over this period to monitor the progress of the investment portfolio and Trustees have also held additional meetings to discuss mitigation strategies. Fortunately, in 2021 the markets have stabilised and performance has been strong.

THE CHARLES WALLACE INDIA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Achievement and performance

The Trust's income is devoted almost entirely to scholarships and grants. In 2020/21 the ratio of governance expenditure to grants was 14.5% (2019/2020: 1.9%). Increase in the ratio was due to the reduction in grants being expended during the year under review.

Due to the Covid pandemic, it was deemed prudent to cancel the India visit so neither the Secretary nor the trustees have visited the subcontinent since April 2020. However, we have tried to fulfil some of the stated objectives (see above) through online meetings with a range of Indian partners and also the British Council, in order to exchange news and views, as well as to commemorate the 40th Anniversary of CWIT through a series of special webinars and roundtables.

In addition to the regular Trustees Meetings, in 2020/21 trustees were required to attend meetings on an ad hoc basis to discuss the impact of the global pandemic on our grantees. We have considered a range of issues including

- The health and wellbeing of the existing grantees in the UK- we provided additional funding when it was deemed necessary, helping them to deal with the Covid emergency
- The impact of Covid on the different communities in India and effective ways of assisting those in need
- Managing risks including discussions about the duty of care, the trustees have obtained legal advice (on a pro-bono basis) from Weil, Gotshal and Manges (London) LLP on these matters and amended our offer letters to grantees and the agreements with our UK partners
- Financial markets: volatility and the impact on our investment portfolios
- Mitigation strategies included the decision to freeze almost all new grant-making activity; we chose to keep in touch with the existing grantees (30 people) and provided them with the latest guidance and advice from the UK government
- We saw 2020/21 as an opportunity to enhance our digital presence; the CWIT website was developed with new information linked to the 40th Anniversary and online seminars held with CWIT alumni enabling them to reach international audiences.

Risk Management

The Trustees recognise that although the Trust generally operates in a low risk environment, it does face operational and financial risks. Every effort is made to put in place controls and procedures that are designed to mitigate the risks identified. Risk is reviewed annual in accordance with Charity Commission guidelines, against a Risk Matrix.

The Trust's current account is kept in credit by automatic transfers from its Call Deposit Account. These are managed by Coutts & Co.

Acknowledgements

The Trustees wish to thank the Secretary Shreela Ghosh for her work. The Trustees also wish to thank colleagues in British Council India for their cooperation and for the practical support that is offered to CWIT scholars throughout the year.

Auditor

A resolution proposing that Harwood Hutton Limited be reappointed as auditor of the Charity will be put at a Trustee Meeting.

THE CHARLES WALLACE INDIA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its operations for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

The Trustees' report was approved by the Board of Trustees.


Prof W Gould

Dated: 31 January 2022


Ms C Stephens OBE

Dated: 31 January 2022

THE CHARLES WALLACE INDIA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CHARLES WALLACE INDIA TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CHARLES WALLACE INDIA TRUST

Opinion

We have audited the financial statements of The Charles Wallace India Trust (the 'Trust') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet and the 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 FRS 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 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 Trust 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 Trust'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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE CHARLES WALLACE INDIA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CHARLES WALLACE INDIA TRUST

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 financial statements is inconsistent in any material respect with the Trustees' report; 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, 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 Trust'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 auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE CHARLES WALLACE INDIA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CHARLES WALLACE INDIA TRUST

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) 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.

THE CHARLES WALLACE INDIA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CHARLES WALLACE INDIA TRUST

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.



Harwood Hutton Limited

Chartered Accountants
Statutory Auditor

31 January 2022

4 Devonshire Street
London
W1W 5DT

Harwood Hutton Limited is eligible for appointment as auditor of the Trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE CHARLES WALLACE INDIA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
Incoming resources from charitable activities	3	-	2,500
Investments	4	179,159	245,951
Total income		<u>179,159</u>	<u>248,451</u>
Expenditure on:			
Cost of generating funds	5	<u>22,525</u>	<u>24,451</u>
Charitable activities	6	<u>75,851</u>	<u>281,221</u>
Total resources expended		<u>98,376</u>	<u>305,672</u>
Net gains/(losses) on investments	10	<u>1,131,758</u>	<u>(1,207,597)</u>
Net movement in funds		<u>1,212,541</u>	<u>(1,264,818)</u>
Fund balances at 6 April 2020		<u>5,690,403</u>	<u>6,955,221</u>
Fund balances at 5 April 2021		<u><u>6,902,944</u></u>	<u><u>5,690,403</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

THE CHARLES WALLACE INDIA TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		506		1,005
Investments	12		6,607,414		5,535,454
			<u>6,607,920</u>		<u>5,536,459</u>
Current assets					
Debtors	14	2,541		10,499	
Cash at bank and in hand		302,079		156,868	
		<u>304,620</u>		<u>167,367</u>	
Creditors: amounts falling due within one year	15	(9,596)		(13,423)	
Net current assets			295,024		153,944
Total assets less current liabilities			<u>6,902,944</u>		<u>5,690,403</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	66,000		-	
General unrestricted funds		6,836,944		5,690,403	
			<u>6,902,944</u>		<u>5,690,403</u>
			<u>6,902,944</u>		<u>5,690,403</u>

The financial statements were approved by the Trustees on

31 January 2022

Prof W Gould
Trustee

Ms C Stephens OBE
Trustee

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Charity is an unincorporated association that is domiciled in England and Wales.

1.1 Accounting convention

The accounts have been prepared in accordance with the Trust's governing document, 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 Charities SORP). The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust 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 financial statements.

1.3 Charitable funds

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

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

1.4 Incoming resources

Dividends and interest from investments are credited to the statement of financial activities when they are receivable.

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.5 Resources expended

(i) Cost of generating funds

The cost of generating funds consists of investment management fees. The Trust's investments are managed by Cazenove Capital Management, largely by investment in the company's 'in house' funds.

(ii) Charitable activities

Grants payable are debited to the Statement of financial activities when an undertaking to pay the grant during the financial year has been entered into.

(iii) Governance costs

These costs include those costs associated with meeting the constitutional and statutory requirements of the trust and include the auditor and accountancy fees and costs linked to strategic management of the trust.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic financial Instruments" to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are measured at transaction price less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method, less any provision for impairment.

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2 Critical accounting estimates and judgements

The trustees do not consider there to be any significant judgement or key estimation uncertainty requiring additional disclosure.

3 Incoming resources from charitable activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Donations from Simon Digby memorial charity	-	1,000
Fee waived by Ecobiz	-	1,500
	<u>-</u>	<u>2,500</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	179,114	245,764
Interest receivable	45	187
	<u>179,159</u>	<u>245,951</u>

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

5 Cost of generating funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Investment management	22,525	24,451
	<u>22,525</u>	<u>24,451</u>

6 Charitable activities

	Grant funding	Depreciation	Other costs	Total 2021	Total 2020
	£	£	£	£	£
Grant funding of activities (see note 7)	30,966	-	-	30,966	231,944
Share of support costs (see note 8)	-	168	40,217	40,385	44,777
Share of governance costs (see note 8)	-	-	4,500	4,500	4,500
	<u>30,966</u>	<u>168</u>	<u>44,717</u>	<u>75,851</u>	<u>281,221</u>
Analysis by fund					
Unrestricted funds	<u>30,966</u>	<u>168</u>	<u>44,717</u>	<u>75,851</u>	
	<u>30,966</u>	<u>168</u>	<u>44,717</u>	<u>75,851</u>	
For the year ended 5 April 2020					
Unrestricted funds	<u>231,944</u>	<u>365</u>	<u>48,912</u>		<u>281,221</u>
	<u>231,944</u>	<u>365</u>	<u>48,912</u>		<u>281,221</u>

7 Grants payable

	2021	2020
	£	£
Scholarships and grants		
Individuals	<u>30,966</u>	<u>231,944</u>

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

8 Support and governance costs

Support costs

	2021	2020
	£	£
Secretary's fees	30,000	14,600
Freelance administrator fees	1,200	2,800
Environmental audit review costs	-	1,500
HR consultancy	1,200	-
Printing and stationery	517	139
Website and IT costs	94	13,469
Meetings, travel and subsistence	3,603	9,637
Sundry expenses	386	1,115
Bank charges	906	590
Telephone and broadband	1,980	562
Loss of disposal of fixed assets	331	-
Depreciation and impairment of tangible fixed assets	168	365
	<u>40,385</u>	<u>44,777</u>

Governance costs

Governance costs include payments to the auditors of £4,500 (2020: £4,500) for audit fees.

9 Trustees

During the year, no trustees received remuneration. (2020: £Nil). One trustee was reimbursed £372 for travel expenses in performance of their duties. (2020: 2 trustees and the secretary of the trust were reimbursed £1,115 for administration expenses and £9,637 for travel expenses in the performance of their duties).

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Gain/(loss) on sale of investments	<u>1,131,758</u>	<u>(1,207,597)</u>

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

11 Tangible fixed assets

Fixtures, fittings & equipment
£

Cost

At 6 April 2020	5,570
Disposals	(4,374)

At 5 April 2021	1,196
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Depreciation and impairment

At 6 April 2020	4,566
Depreciation charged in the year	168
Eliminated in respect of disposals	(4,044)

At 5 April 2021	690
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Carrying amount

At 5 April 2021	506
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At 5 April 2020	1,005
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12 Fixed asset investments

Listed
investments
£

Cost or valuation

At 6 April 2020	5,535,454
Additions	2,982,881
Valuation changes	1,131,758
Disposals	(3,042,679)

At 5 April 2021	6,607,414
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Carrying amount

At 05 April 2021	6,607,414
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At 05 April 2020	5,535,454
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THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

12 Fixed asset investments (Continued)

	2021 £	2020 £
Investments at fair value comprise:		
Managed Portfolio at Market Value	3,985,443	3,290,362
Multi-Assets Funds	1,062,565	-
Bond Fund - Cazenove Investment Fund	489,012	754,914
Hedge Funds & Portfolio Fund	84,191	357,946
Property	621,847	754,714
Other	364,356	377,518
	<u>6,607,414</u>	<u>5,535,454</u>

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

13 Financial instruments	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,541	10,499
Equity instruments measured at market value	<u>6,607,414</u>	<u>5,535,454</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>9,596</u>	<u>13,423</u>

14 Debtors	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>2,541</u>	<u>10,499</u>

15 Creditors: amounts falling due within one year	2021 £	2020 £
Accruals	<u>9,596</u>	<u>13,423</u>

THE CHARLES WALLACE INDIA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees to represent the unspent scholarships and research grants available to the grantees due to travel restrictions caused by the pandemic. The amount is expected to be expended by the end of financial year 2022/23:

	Movement in funds		
	Balance at 6 April 2020	Transfers	Balance at 5 April 2021
	£	£	£
From general fund	-	66,000	66,000
	<hr/>	<hr/>	<hr/>
	-	66,000	66,000
	<hr/>	<hr/>	<hr/>

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).