

# The Steel

## Charitable Trust

### REPORT OF THE TRUSTEES AND ACCOUNTS YEAR ENDED 31 JANUARY 2022

<u>Contents</u>	<u>Pages</u>
Legal and Administrative Information.....	1
Report of the Trustees .....	2-7
Independent Auditor's Report .....	8-11
Statement of Financial Activities.....	12
Balance Sheet.....	13
Statement of Cash Flows.....	14
Notes to the Accounts .....	15-21

## **LEGAL AND ADMINISTRATIVE INFORMATION**

### **REGULATOR**

Registered with The Charity Commission in England & Wales (Charity Number 272384)

### **TRUSTEES**

Mrs W E Bailey - Chairman<sup>2 3 4</sup>

Dr M N P Briggs<sup>3</sup>

Mr P Day<sup>1</sup>

Ms V S Fox<sup>3 4</sup>

Mr P C Lawford<sup>1</sup>

Mr N E W Wright<sup>1 2 4</sup>

### **ADMINISTRATION**

Ms I Stanger<sup>4</sup>

Trust Manager

[istanger@steelcharitabletrust.org.uk](mailto:istanger@steelcharitabletrust.org.uk)

### **PRINCIPAL ADDRESS**

Suite 411  
Jansel House  
Hitchin Road  
Luton  
Bedfordshire  
LU2 7XH

### **WEBSITE**

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

### **INDEPENDENT AUDITOR**

UHY Kent LLP t/a UHY Hacker Young  
Chartered Accountants  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

### **PROPERTY ADVISER**

Knight Frank LLP  
55 Baker Street  
London  
W1U 8AN

### **FINANCIAL ADVISER**

Robey Warshaw LLP  
9 Grosvenor Square  
London  
W1K 5AE

### **SOLICITOR**

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

### **BANKERS**

Bank of Scotland PLC  
Central Banking Branch Hobs  
Bank of Scotland  
PO Box 17235  
Edinburgh  
EH11 1TH

Barclays Bank PLC  
28 George Street  
Luton  
LU1 2AE

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<sup>1</sup> Member of Investment Committee

<sup>2</sup> Member of Risk and Audit Committee,

<sup>3</sup> Member of the Human Resources (HR) Committee

<sup>4</sup> Member of the Grant-Making Policy Review Committee

## **REPORT OF THE TRUSTEES YEAR ENDED 31 JANUARY 2022**

The Trustees present their report with financial statements of The Steel Charitable Trust for the year ended 31 January 2022. The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments. The format of the financial statements has been presented to comply with the Charities Act 2011, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities (second edition, effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

### **History and Objectives**

The Steel Charitable Trust, which was formed by the late Mr & Mrs W R Steel, is constituted under a Trust Deed dated 15 February 1976 and is a registered charity in England & Wales (number 272384).

As stated in the Deed, the object of the Trust is to pay the income and, in so far as the Trustees think fit, the capital of the Trust Fund to such charitable bodies or for such other purposes as shall be exclusively charitable as the Trustees may from time to time decide.

### **Governance and Management**

The power of appointment of new and additional Trustees is held by the present Trustees.

Mr Wright was appointed by the Settlers and is eligible to serve for life or until he either resigns or becomes ineligible. Mrs Bailey was appointed (and as Chairman) by the Trustees until 30 September 2023, at which time she may put herself forward for re-appointment. Dr Briggs and Mr Lawford were appointed by the Trustees until 30 September 2022 and 2023 respectively and may put themselves forward for re-appointment at such times. In December 2021 after their 12-month probationary period, the appointments of Mr Day and Ms Fox were confirmed as Trustees until 31 December 2027 and they may put themselves forward for re-appointment at that time.

When seeking new Trustees, the Trustees have placed an advertisement in national newspapers and other media; a candidate shortlist has been drawn up, followed by a series of interviews. New Trustees are invited initially to serve for a 12-month probationary period. This allows both a new Trustee and the Trustees the opportunity to evaluate their decision. On completion of the 12-month period, and with the mutual agreement of both parties, the position may be confirmed for a term of seven years (which includes the 12-month probationary period), which may be renewable. New Trustees are supplied with a history of the Trust, a copy of the Trust Deed, information published by the Charity Commission outlining the responsibilities of charity Trustees, several additional papers about the Trust and how it is governed and managed, and a copy of the most recent Trustees' annual report and audited accounts.

The Trustees meet and consult regularly throughout the year to consider the strategic direction of the Trust and other matters including grant applications, investment strategy and financial accounts. In addition, the Trustees may attend meetings with grant applicants and recipients.

There are three standing committees. The purpose of the Investment Committee is to monitor the investments and to approve changes in the asset allocation within an agreed strategy. The purpose of the HR

Committee is to advise on compliance with employment law and practice, to administer the recruitment of new Trustees, new employees and/or new external contractors as the Trustees require, and for one member of the Committee, with the Chairman, to undertake the annual appraisal of the Trust Manager. The purpose of the Risk and Audit Committee is to monitor the various risks to which the Trust is, or might be, exposed, to manage the mitigation of such risks and to monitor and oversee the annual audit. A temporary Grant-Making Policy Review Committee was established to review the criteria for grant applications.

The Trustees delegate the day-to-day administration to the Trust Manager. The remuneration of employees and external contractors is approved by the Trustees.

The Trust is a member of the Association of Charitable Foundations. The Association represents the interests of charitable foundations and grant-making trusts in the United Kingdom and provides information on good practice and changes in the law affecting charities and in particular grant-making charities.

### **Policies and Procedures for Grant-Making**

The Trust invites applications for grants through its website. Only applications submitted online via the website will be considered by the Trustees.

It is the policy of the Trustees to make grants to a wide range of charitable bodies, and particularly in respect of applications supporting the following five categories:

Arts and Heritage | Education | Environment | Health | Social or Economic Disadvantage

Applications from Bedfordshire generally and Luton in particular are welcome.

As a result of the recommendations of the Grant-Making Policy Review Committee, the Trustees amended certain aspects of the Trust's grant-making policies with the objective of reducing the number of applications. The changes have been stated clearly on the Trust's website with effect from June 2021. The principal changes are that:

- the Trustees have initiated two priority focus areas (as listed on the Trust's website) for each of the grant categories of Health and Social or Economic Disadvantage; each of these priority focus areas will be in place for two years and will then be reviewed; the first priority focus areas are running from October 2021 to October 2023;
- the minimum grant offered by the Trust is normally £10,000;
- an applicant organisation should have a minimum annual turnover of £50,000;
- all organisations that have been awarded a grant are required to submit a report at the end of the project or programme for which the grant was awarded (information about such reporting is clearly stated on the Trust's website); this stipulation to start for grants approved from March 2022;
- the types of organisations that may apply to the Trust are:
  - charities, including CIOs, registered in any part of the UK
  - exempt charities as defined in schedule 3 of the Charities Act 2011 and their equivalent in Scotland and Northern Ireland
  - municipally-funded museums not included in schedule 3 of the Charities Act 2011.

- applications will not be considered from the following:
  - individuals
  - charities registered outside the UK
  - charities that do not have one year of accounts behind them
  - Community Interest Companies or other company structures of a not-for-profit nature
  - political parties.

The Trust's grant-making policies are clearly stated on its website.

The Trustees have regard to the Charity Commission's guidance on Charity and Public Benefit. They consider that the very full information about the Trust's aims, policies and activities, in the many areas of interest that the Trust supports which are set out in this report and on its website, demonstrate the benefit to its beneficiaries, and through them to the public, that arise from carrying out those aims.

The Trustees generally meet in March, June, September and December. At these meetings, having reviewed all applications received during a previous three-month period, the Trustees approve the grants to be made to the successful applicants. Payment is then made as soon as practical after the meeting. Unsuccessful applicants are informed accordingly.

## **Activities**

During the year the Trust made or committed to make 84 grants totalling £1,196,959, of which grants totalling £1,071,996 were made to 76 charities registered in England & Wales, three grants totalling £49,963 were made to charities registered in Scotland, one grant of £15,000 was made to a charity in Northern Ireland and grants totalling £60,000 were made to four other charitable organisations in the United Kingdom, eligible under the Trust's grant-making policy.

The Trust receives many more applications than it has funds to support, which is why the Trustees decided on the change of grant-making policy stated previously. Only 4% of the applications received in the current grant year were successful in receiving a grant. Each successful application is investigated by the Trust Manager and by one or more of the Trustees and is approved by the Trustees as a whole. The Trust's website lists all the grants awarded in the current year and in the previous two years.

For single or multiple grants of £20,000 or more, where it was a condition that the Trustees required, within ten months of the grant being paid, a report summarising the outputs and outcomes of the grant. As noted above, from March 2022, the policy of reporting has changed to require all grant recipients to report to the Trust.

Luton Matters, the initiative designed to assist organisations whose work brings significant benefits to the residents of Luton, Bedfordshire or improvements to the town, has continued and progressed as planned when it was launched in 2020. Luton Matters grants have been awarded in the categories of Social or Economic Disadvantage, Arts and Heritage and Health. Luton Matters grants in the categories of Education and of Environment were awarded in March 2022. Full information about Luton Matters may be found on the Trust's website.

REPORT OF THE TRUSTEES (continued)

Activities (continued)

At the beginning of the pandemic in 2020 enquiries about emergency grants and applications for new grants soared. As a result of the ensuing grant-making review, last year two grants totalling £40,000 were made to the Bedfordshire and Luton Community Foundation, which led the way in providing support to the Luton community by securing grants from a number of local funders. In the current year the Trustees made two further grants to the Foundation totalling £40,000.

All, except one, of those applicants, whose grant had been delayed because the pandemic had caused the relevant project or programme to be delayed or disrupted, have now been paid.

No fundraising is undertaken.

### Financial Review

In addition to the cash received from Toddington Road Properties Limited (see Note 6 in the accounts), the principal source of income of the Trust is from its investment portfolio.

	<u>2022</u>	<u>2021</u>
	£	£
Investment and other income	1,101,429	1,190,927
Overhead costs	(89,362)	(83,660)
Net income	1,012,067	1,107,267
Grants (net)	(1,184,959)	(1,168,785)
<b>Reduction from unrestricted funds</b>	<b>£ (172,892)</b>	<b>£ (61,518)</b>

Overhead costs do not include investment fund managers' costs as these are deducted at source from either capital or prior to the income distributions or both. The income, overhead costs and total grants represent 2.16%, 0.18% and 2.32% of the unrestricted funds at the beginning of the year respectively (2021: 3.29%, 0.23% and 3.23%).

On 31 January 2022 the total unrestricted funds amounted to £51,857,430 (2021: £50,976,462).

### Investment Policy and Performance

All investments held by the Trust have been made in accordance with the powers available to the Trustees. In the past, the objective of the investment policy was to maximise the income available for distribution to charitable bodies while still aiming for some capital growth over the longer term. However, during the year, the Trustees amended the policy to follow a total return strategy. The investment policy is now to sustain the long-term real value of the investment fund, and hence of the real value of grants. Therefore, the portfolio has been diversified in favour of global, more broadly diversified funds, a consequence of which is that income may be lower than in the past. The Trust does not impose specific ethical investment constraints over and above those already contained within the investment managers' own ethical and socially responsible investment policies.

As set out in Note 6 of the accounts, the land owned by Toddington Road Properties Limited (being then a wholly owned subsidiary company of the Trust) was sold on 11 March 2021 and the surplus arising from the

sale was gifted to the Trust. The company was dissolved on 4 January 2022.

The investments held on 31 January 2021, plus the investment of cash received from Toddington Road Properties Limited, amounted to £49,502,189 and the investments held on 31 January 2022 amounted to £50,535,483. This represented an increase of 2.09% compared with an increase in the FTSE All-Share Index of 15.1% over the same period.

### **Reserves Policy**

At 31 January 2022, the Trust had total funds of £51,857,430 (2021: £50,976,462). The Trust's reserves policy is to ensure it maintains adequate funds to meet its commitments and to hold funds to produce income to contribute towards the payment of future grants. The Trust does not currently hold any restricted funds and therefore all funds are treated as unrestricted reserves.

### **Potential Risks and Risk Management in relation to the Coronavirus Pandemic**

Operationally, there has been minimal impact on the Trust. The IT systems are such that working from home was instigated as soon as the government gave the first stay-at-home order in March 2020. Clear messaging on the website and through IT systems has been used since then so that no break in communications with potential applicants and grant awardees has been experienced. The Trust's office is visited periodically for essential purposes.

The COVID-19 contingency plan, which had been prepared by the Trust Manager in March 2020, continued to be in place. It identifies essential processes/transactions that would need to be covered should either or both the Trust Manager and the Financial Controller become seriously ill. A Trustee was assigned to each process/transaction as a back-up and trained accordingly.

### **Risk Management**

The Trustees regularly review the major strategic, financial and operational risks which the Trust faces and confirm that systems have been established, and/or are under review, to mitigate those risks.

As the object of the Trust is to pay grants to charitable bodies, the major risk facing the Trust is that the performance of its investments, in the form of income and changes in capital values, reduces the extent of its grant-making capacity. This risk is mitigated through the Trust's policy of holding substantially all its investments in unit trusts, an open-ended investment company and/or common investment funds, managed by well-respected investment fund managers. The Trustees meet the fund managers on a regular basis.

### **Trustees' Responsibilities**

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

REPORT OF THE TRUSTEES (continued)

Trustees' Responsibilities (continued)

resources and application of resources of the Trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations 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 Trustees are responsible for the maintenance and integrity of the Trust and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Plans for the Future**

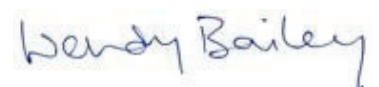
The Trustees will continue to develop the Trust by:

- making grants to charitable organisations
- continuing with the Luton Matters programme
- making changes to the investment portfolio whenever considered appropriate.

### **Independent Auditors**

During the year, the Trustees appointed UHY Kent LLP t/a UHY Hacker Young, Chartered Accountants, to act as Independent Auditors to The Steel Charitable Trust from January 2022.

Approved by the Trustees on 23 June 2022 and signed on their behalf by:



Wendy E Bailey  
Chairman



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF THE STEEL CHARITABLE TRUST  
YEAR ENDED 31 JANUARY 2022**

**Opinion**

We have audited the financial statements of The Steel Charitable Trust (the 'Trust') for the year ended 31 January 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 January 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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:

*How the audit was considered capable of detecting irregularities including fraud:*

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:

- we identified the laws and regulations applicable to the Trust through discussions with 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 accounts or the operations of the Trust, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's accounts 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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- 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 set out in the accounting policies 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 minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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

### **Use of our report**

This report is made solely to the Trust'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 Trust's Trustees those matters we are required to state to them in an Auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



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Allan Hickie (UHY Hacker Young) (Jun 29, 2022,  
1:49pm)

### **UHY Kent LLP**

Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 29 Jun 2022

UHY Kent LLP is eligible to act as auditors in terms of section 1212  
of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)**  
**YEAR ENDED 31 JANUARY 2022**

	<u>Notes</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<b>INCOME FROM:</b>			
Investments	3 a)	1,100,343	1,190,093
Donations from Toddington Road Properties Limited	6 b)	23,753,214	5,868
Other	3 b)	1,086	834
<b>Total Income</b>		<b>24,854,643</b>	<b>1,196,795</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	4	1,274,321	1,252,445
<b>Total Expenditure</b>		<b>1,274,321</b>	<b>1,252,445</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>			
		23,580,322	(55,650)
Write-off of Toddington Road Properties Limited	6 a)	(23,745,000)	-
Net gains on other investments/all investments	6 a)	1,045,646	14,832,171
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>		<b>880,968</b>	<b>14,776,521</b>
Unrestricted funds brought forward		50,976,462	36,199,941
<b>UNRESTRICTED FUNDS AT 31 JANUARY</b>		<b><u>£51,857,430</u></b>	<b><u>£50,976,462</u></b>

All income and expenditure in the years to 31 January 2022 and 31 January 2021 was unrestricted.

**BALANCE SHEET AT 31 JANUARY 2022**

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
<b>FIXED ASSETS</b>			
Investments	6 a)	50,535,482	50,152,196
<b>CURRENT ASSETS</b>			
Cash at bank	13	1,496,718	1,079,875
Debtors	7	15,138	12,782
<b>TOTAL CURRENT ASSETS</b>		1,511,856	1,092,657
<b>LIABILITIES</b>			
Creditors - Amounts falling due within one year	8	(124,408)	(187,391)
<b>NET CURRENT ASSETS</b>		1,387,448	905,266
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		51,922,930	51,057,462
Creditors - Amounts falling due after more than one year	9	(65,500)	(81,000)
<b>NET ASSETS</b>		<b>£51,857,430</b>	<b>£50,976,462</b>
Representing:			
<b>TOTAL UNRESTRICTED TRUST FUNDS</b>		<b>£51,857,430</b>	<b>£50,976,462</b>

Approved by the Trustees on 23 June 2022 and signed on their behalf by:

*Wendy Bailey*

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 JANUARY 2022**

	<u>Notes</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	12	22,399,140	(1,148,658)
<b>Cash flows from investing activities:</b>			
Investment income and interest	3 a)	1,100,343	1,190,093
Purchase of investments	6 a)	(42,087,640)	(2,960,082)
Sale of investments	6 a)	19,000,000	3,000,000
Repayment of share capital of Toddington Road Properties Ltd	6 a)	5,000	-
Net cash provided by investing activities		(21,982,297)	1,230,011
Change in cash and cash equivalents in the year	14	416,843	81,353
Cash and cash equivalents at 1 February		1,079,875	998,522
Cash and cash equivalents at 31 January	13	<b>£1,496,718</b>	<b>£1,079,875</b>

**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2022**

**1 GENERAL INFORMATION**

The Steel Charitable Trust is a charity registered with the Charity Commission for England and Wales, registration number 272384. The Trust's principal address is Suite 411, Jansel House, Hitchin Road, Luton, Bedfordshire, LU2 7XH.

**2 ACCOUNTING POLICIES**

a) Basis of preparation of accounts

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (effective 1 January 2019), the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (March 2018) and the Charities Act 2011. The Trust is a Public Benefit Entity as defined by FRS 102.

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 (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The results of Toddington Road Properties Limited were not consolidated in the year ended 31 January 2021. Further information is disclosed in Note 6 b).

b) Capital

Additions to capital represent the distributions received from interests in land-owning joint ventures, which interests had been assigned to the Trust by one of the Settlers, and are included at the values received by the Trustees.

c) Investments

All investments, managed by external fund managers, are unlisted and are recorded at cost and valued at the bid price at the year end.

d) Income

Incoming resources are recognised in the Statement of Financial Activities when the Trust has entitlement to the funds.

e) Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for in the year in which the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition.

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis and is recognised when there is a legal or constructive obligation to pay. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.



NOTES TO THE ACCOUNTS (continued)

2 ACCOUNTING POLICIES (continued)

g) Allocation of overheads and support costs

Overhead costs have been allocated between support and governance based on time and usage. Governance costs represent all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Funds

All of the funds of the Trust are unrestricted. These may be used in accordance with the charitable objectives at the discretion of the Trustees.

i) VAT

The Trust is not registered for VAT. All expenditure is therefore stated inclusive of VAT where applicable.

j) Going concern

Taking into account the current financial environment, including the impact of COVID-19, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future.

k) Significant judgements and sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Trust's accounting policies. The key judgements that had been applied in 2021 by management related to the value of the freehold land owned by Toddington Road Properties Limited.

l) Cash and cash equivalents

Cash and cash equivalents includes deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

m) Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

n) Employee benefits

- i. Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- ii. Contributions, based on a percentage of salary, are paid into the employee's personal pension plan.

o) Operating lease

Rentals paid under an operating lease are charged to income in accordance with the terms of the lease.

p) Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE ACCOUNTS (continued)

	<u>Notes</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<b>3 INVESTMENT INCOME</b>			
a) Unlisted investment income from:			
BlackRock iShares Developed World Fossil Fuel Screened Index Fund (UK) D Inc		1,603	-
Federated Hermes Property Unit Trust		128,218	72,510
Liontrust Sustainable Future Managed Fund Class 2 Inc		-	-
M & G Charibond Charities Fixed Interest Fund (Charibond)		27,275	19,502
M & G Equities Investment Fund For Charities (Charifund)		941,093	1,096,739
		<u>1,098,189</u>	<u>1,188,751</u>
Bank interest		2,154	1,342
		<b><u>£1,100,343</u></b>	<b><u>£1,190,093</u></b>

b) Other income represents additions to capital of £1,086 (2021: £834).

**4 ANALYSIS OF CHARITABLE EXPENDITURE**

The Trust undertakes its charitable activities through the award of grants to a number of institutions.

Grants provided in previous years	8 & 9	(252,000)	(152,250)
Grants paid in the year		1,295,296	1,069,035
Grants payable in future years	8 & 9	153,663	252,000
Grants total	17	<u>1,196,959</u>	<u>1,168,785</u>
Grants cancelled		(12,000)	-
Support and Governance costs	5 a)	89,362	83,660
		<b><u>£1,274,321</u></b>	<b><u>£1,252,445</u></b>

The grants payable in future years will be paid as and when the various conditions attaching to them have been satisfied.

**5 SUPPORT AND GOVERNANCE COSTS**

a) Allocation of support costs and overheads - 2022

	<u>Governance</u> <u>£</u>	<u>Charitable</u> <u>Activities</u> <u>£</u>	<u>Total</u> <u>£</u>
Staff	6,214	25,035	31,249
Consultant	5,933	22,323	28,256
Auditor's remuneration - statutory audit	6,000	-	6,000
Trustees' recruitment	-	-	-
General	2,287	21,570	23,857
	<b><u>£20,434</u></b>	<b><u>£68,928</u></b>	<b><u>£89,362</u></b>

NOTES TO THE ACCOUNTS (continued)

5 SUPPORT AND GOVERNANCE COSTS (continued)

		<u>2022</u>	<u>2021</u>
		<u>£</u>	<u>£</u>
a) Allocation of support costs and overheads - 2021			
	<b>Governance</b>	<b>Charitable</b>	<b>Total</b>
	<u>£</u>	<u>Activities</u>	<u>£</u>
Staff	6,063	24,251	30,314
Consultants	4,873	19,492	24,365
Auditor's remuneration - statutory audit	6,780	-	6,780
Trustees' recruitment	2,356	-	2,356
General	1,072	18,773	19,845
	<b><u>£21,144</u></b>	<b><u>£62,516</u></b>	<b><u>£83,660</u></b>
b) Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel:			
Salary		29,300	28,800
Pension Contributions		1,465	1,440
Training		180	-
Expenses		304	74
		<b><u>£31,249</u></b>	<b><u>£30,314</u></b>

There was one part-time employee during the year, equivalent to 0.6 full-time employee (2021: 0.6). All employee time was involved in providing support to the governance and charitable activities of the Trust.

No employee had total salaries and benefits in excess of £60,000 in either year.

The Trustees did not receive any remuneration in the year (2021: £Nil). Included under General expenses, the expenses for travel and certain office costs, which were reimbursed to or paid on behalf of 6 Trustees, amounted to £578 (2021: 4 Trustees £479).

NOTES TO THE ACCOUNTS (continued)

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
<b>6 INVESTMENTS</b>			
a) At valuation 1 February		50,152,196	35,359,943
Additions		42,087,640	2,960,082
Disposals		(19,000,000)	(3,000,000)
Repayment of share capital of Toddington Road Properties Ltd	6 b)	(5,000)	-
Write-off of Toddington Road Properties Limited	6 b)	(23,745,000)	-
Net gains on other investments/all investments		1,045,646	14,832,171
At valuation 31 January		<b>£50,535,482</b>	<b>£50,152,196</b>
Comprising:			
BlackRock iShares Developed World Fossil Fuel Screened Index Fund (UK) D Inc		12,577,817	-
Federated Hermes Property Unit Trust		6,280,535	1,980,576
Liontrust Sustainable Future Managed Fund Class 2 Inc		21,173,080	-
M & G Charibond Charities Fixed Interest Fund (Charibond)		3,126,642	725,390
M & G Equities Investment Fund For Charities (Charifund)		7,377,408	23,696,230
Toddington Road Properties Limited	6 b)	-	23,750,000
		<b>£50,535,482</b>	<b>£50,152,196</b>

All investments are made in the UK and are unlisted at 31 January 2022 and 31 January 2021.

b) Toddington Road Properties Limited

The registered address of Toddington Road Properties Limited, which was wholly owned by the Trust, was Suite 411, Jansel House, Hitchin Road, Luton, Bedfordshire, LU2 7XH; its company number was 00561005.

The main asset owned by Toddington Road Properties Limited was freehold land, which was let under a 99-year lease with effect from 1 March 1966 at a fixed rent. The net surplus of £4,144 (2021: £5,868) was donated to the Trust. On 11 March 2021, the company sold the land for a consideration of £24,000,000. Following receipt of the proceeds and the payment of professional fees incurred in connection with the sale, the company made further qualifying charitable donations of the net surplus to the Trust of £23,749,070.

In June 2021, the share capital was repaid and on 4 January 2022, the company was officially dissolved.

**7 DEBTORS**

Prepayments and Accrued Income		14,199	11,844
Other debtors		939	938
		<b>£15,138</b>	<b>£12,782</b>

NOTES TO THE ACCOUNTS (continued)

	<u>Notes</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<b>8 CREDITORS PAYABLE WITHIN ONE YEAR</b>			
Grants payable	4	88,163	171,000
Accruals and deferred income		27,138	6,780
Tax and Social Security		441	436
Pension Contributions		269	264
Other creditors		8,397	8,911
		<b>£124,408</b>	<b>£187,391</b>

**9 CREDITORS PAYABLE AFTER MORE THAN ONE YEAR**

Grants payable	4	<b>£65,500</b>	<b>£81,000</b>
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**10 OPERATING LEASE COMMITMENTS**

At 31 January 2022, the Trust was committed to make the following estimated payments in respect of an operating lease.

Rent due under Lease:

Not later than one year	6,975	6,839
Later than one year and not later than five years	23,475	27,641
Later than five years	-	1,353
	<b>£30,450</b>	<b>£35,833</b>

**11 FUTURE GRANT COMMITMENTS**

At 31 January 2022 there were contingent liabilities relating to conditional grants of £452,000 (2021: £415,400) payable over the next five years out of income and, if necessary, the capital of the Trust. It is considered that the income and capital of the Trust are adequate to meet these liabilities if they become unconditional.

**12 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

Net income/(expenditure) for the year		23,580,322	(55,650)
Adjustments for:			
Investment income and interest	3 a)	(1,100,343)	(1,190,093)
Increase in debtors		(2,356)	(4,021)
(Decrease)/Increase in creditors		(78,483)	101,106
Net cash provided by/(used in) operating activities		<b>£22,399,140</b>	<b>£(1,148,658)</b>

NOTES TO THE ACCOUNTS (continued)

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>13 ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1,496,718	1,079,875
	<b>£1,496,718</b>	<b>£1,079,875</b>
<b>14 ANALYSIS OF CHANGES IN NET DEBT</b>		
Cash at 1 February	1,079,875	998,522
Cash flows	416,843	81,353
<b>Cash at 31 January</b>	<b>£1,496,718</b>	<b>£1,079,875</b>
<b>15 FINANCIAL INSTRUMENTS</b>		
Financial assets:		
Measured at fair value through income and expenditure	50,535,482	50,152,196
	<b>£50,535,482</b>	<b>£50,152,196</b>

Financial instruments measured at fair value through income and expenditure comprise of unlisted investments.

All investments are carried at their fair value. Investments in bonds, equities, property and alternative investments are all managed by independent investment institutions and traded in markets around the world. The basis of fair value is the equivalent of market value, using bid price. Asset sales and purchases are recognised at the date of trade at their transaction value.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Financial Review and Investment Policy and Performance sections of Trustees' Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The investment institutions manage these investment risks by retaining expert advisers and operating an investment policy that provides for a high degree of diversification of holdings within investment assets that are quoted on global markets. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return.

**16 RELATED PARTY TRANSACTIONS**

There were no related party transactions in the years ended 31 January 2022 and 2021.

**17 GRANTS MADE**

A list of the grants made in the years ended 31 January 2022 and 2021 can be found on the Trust's website:

<https://steelcharitabletrust.org.uk/grants/previous-grants/>