

THE EDWARD SMART CHARITABLE TRUST

REGISTERED CHARITY NO: 1126892

ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2016

THE EDWARD SMART CHARITABLE TRUST

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THE EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT

Charity Name

The Edward Smart Charitable Trust

Registered Charity No

1126892

Governing Instrument

Will of Edward Kenneth Smart, who died on 13 July 2007

Trustees

Mrs Susan Austin

Mr David Swanson

SG Hambros Trust Company Limited

Principal Office

Norfolk House, 5th Floor, 8 St James's Square, London, SW1Y 4JU

Bankers

SG Hambros Bank Limited, 5th Floor, 8 St James's Square, London, SW1Y 4JU

Investment Manager

SG Hambros Bank Limited, Norfolk House, 5th Floor, 8 St James's Square, London, SW1Y 4JU

Independent Examiner

Mrs Tracey Young ACA

haysmacintyre, 26 Red Lion Square, London, WC1R 4AG

The Trustees present their report along with the financial statements of the charity for the year ended 5 April 2016. The financial statements have been prepared in accordance with the accounting policies set out on pages 7 and 8 and comply with the charity's trust deed and applicable law.

Constitution and objects

The Edward Smart Charitable Trust is constituted under the Will of Edward Kenneth Smart and is a registered charity under Charity Commission reference number 1126892. Mr Edward Smart died on 13 July 2007 and the residue of his Estate was applied to the Charitable Trust. The objects of the charity are to apply the income and all or such parts of the capital for such exclusively charitable objects and purposes in any part of the world as the Trustees may in their discretion think fit.

Organisation

The Trustees who were appointed in the Will are set out above. The Trustees assess grant applications and consider the making of appropriate grants twice yearly.

Appointment of Trustees

The power to appoint new Trustees rests collectively with the Trustees. Trustees are selected for their expertise and experience. New Trustees receive copies of the governing document and details of the administrative procedures, history and policies of the charity. In addition, all new Trustees are given guidance material published by the Charity Commission on the responsibilities of being a trustee. The Trustees are kept informed about the Trust and relevant developments in the charity sector when appropriate. The maximum number of Trustees is four.

Grant making policy

Whilst retaining its general scope, it is intended that the charity will give grants to support the education of disadvantaged young women in the UK and India.

THE EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT

Financial review

The expendable endowment fund generates income which is used towards satisfying the grant making policy in accordance with the objects of the charity. As at 5 April 2016 the expendable endowment fund stood at £1,195,273 (2015: £1,264,745).

The income in the year was £53,354 (2015: £47,856) and the expenditure was £48,782 (2015: £40,198).

The charity also recognised a loss on the market value of its investments of £61,031 (2015: gain of £9,411).

Achievements of the Trust

The Charity's aims were carried out for the public benefit. This year the charity was able to make grants totalling £25,503 to two charitable causes (2015 : £9,000 to two charitable causes). The Trustees have not entered into any commitments which would affect the financial position of the charity.

Investment policy and performance

The charity has power to invest in such assets as it sees fit. The Trustees have appointed SG Hambros Bank Limited as investment managers to manage the majority of the charity assets and have been provided with an overall policy statement. The Trustees will review the investment strategy every 12 months.

Reserves policy

The charity has unrestricted reserves of £1,256,690 (2015 : £1,310,362).

The Trust's reserves are primarily investments which are held to generate income and capital growth which provide funds to make grants in accordance with the Trust's objects. The Trustees consider that the level of reserves is appropriate to meet current activities.

Risk management

The Trustees have examined the major strategic, business and operational risks that the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

Public benefit statement

The Trustees have referred to the Charity Commission's guidance on Public Benefit when reviewing their aims and objectives and planning their future activities. The Trustees believe that their strategic grantmaking activities meet the objective of benefiting a wide cross-section of the community. The Trustees ensure that a robust monitoring system is in place to establish the benefit derived from each grant, in order to be confident of meeting their public benefit obligations.

Going concern

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Trust's ability to do so.

Trustees' Responsibilities Statement

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 charity and of the incoming resources and application of resources of the charity for that period.

THE EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT

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 and statements of recommended practice 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on behalf of the Trustees by:

Dated: 23rd January 2017

FOR AND ON BEHALF OF
SG HAMBROS TRUST COMPANY LIMITED

Rachel [Signature] goes
Director

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE EDWARD SMART CHARITABLE TRUST**

I report on the accounts of the charity for the year ended 5 April 2016, which are set out on pages 5 to 11.

Respective responsibilities of Trustees and Examiner

The Trustees are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is eligible for independent examination, it is my responsibility to:

- * examine the accounts under section 145 of the 2011 Act;
- * to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- * to state whether any particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements:
 - * to keep accounting records in accordance with section 130 of the 2011 Act; and
 - * to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Charities Act 2011 and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs Tracey Young ACA
haysmacintyre
Chartered Accountants
26 Red Lion Square
London
WC1R 4AG

Date 23/1/17

THE EDWARD SMART CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2016

	Note	Unrestricted Funds £	2016 Expendable Endowment £	Total Funds £	2015 Total Funds £
INCOME FROM:					
Investments	2	53,354	-	53,354	47,856
Total income		<u>53,354</u>	<u>-</u>	<u>53,354</u>	<u>47,856</u>
EXPENDITURE ON:					
Raising funds	5	-	20,845	20,845	21,513
Charitable activities	3	37,554	-	37,554	20,834
Total expenditure		<u>37,554</u>	<u>20,845</u>	<u>58,399</u>	<u>42,347</u>
Net income / (expenditure) before gains on investments		15,800	(20,845)	(5,045)	5,509
Net (losses)/gains on investments	7	-	(48,782)	(48,782)	40,198
Net gains on foreign exchange		-	155	155	(824)
NET MOVEMENT IN FUNDS		<u>15,800</u>	<u>(69,472)</u>	<u>(53,672)</u>	<u>44,883</u>
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		<u>45,617</u>	<u>1,264,745</u>	<u>1,310,362</u>	<u>1,265,479</u>
Total Funds Carried Forward		<u><u>61,417</u></u>	<u><u>1,195,273</u></u>	<u><u>1,256,690</u></u>	<u><u>1,310,362</u></u>

THE EDWARD SMART CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2016

	Note	2016	2015
		£	£
FIXED ASSETS			
Investments	7	1,135,032	1,217,576
CURRENT ASSETS			
Cash at Bank		135,131	106,337
		<u>135,131</u>	<u>106,337</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	8	13,473	13,551
		<u>13,473</u>	<u>13,551</u>
NET CURRENT ASSETS		121,658	92,786
NET ASSETS		<u>1,256,690</u>	<u>1,310,362</u>
REPRESENTED BY			
Unrestricted Fund		61,417	45,617
Expendable Endowment Fund		1,195,273	1,264,745
		<u>1,256,690</u>	<u>1,310,362</u>

Approved by the Trustees and signed on behalf of the Trustees by:

Dated: 23rd January 2017

FOR AND ON BEHALF OF
SG HAMBROS TRUST COMPANY LIMITED

Recherley *sgaw*

Director

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Basis of accounting**

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS102)), the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Edward Smart Charitable Trust meets to definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) **Going Concern**

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the Trust's ability to do so.

(c) **Investment income**

Income arising from investments is accounted for when it is receivable.

(d) **Expenditure**

Expenditure is included on an accruals basis.

Grants payable are charged in the year which the offer is conveyed to the recipient except where the grant is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions that have not been met at the year-end are noted as a commitment but not accrued expenditure.

Support costs comprise management and administration costs for the running of the charity itself as an organisation.

Governance costs comprise costs associated with complying with constitutional and statutory requirements.

(e) **Fixed asset investments**

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(f) **Foreign currency translation**

The charities functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies continued

(g) **Unrestricted Funds**

These comprise those funds which the Trustees are free to use in accordance with the charitable objects.

(h) **Expendable Endowment Fund**

The expendable endowment fund is a fund that must be invested to produce income but the Trustees have a power to convert all or part of it into an income fund which can then be spent.

(i) **Cash and cash equivalents**

Cash and cash equivalents includes cash and short term highly liquid investments with short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(j) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) **Estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustee's best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The Trustees do not consider there to be any material estimates and judgements.

(l) **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

2. Income from Investments

	2016 £	2015 £
Dividends and interest	53,322	47,838
Interest on cash deposits	32	18
	<u>53,354</u>	<u>47,856</u>

3. Charitable Activities

During the year to 5 April 2016 the charity made grants totalling £25,503 (2015: £9,000). Grants are listed below.

	2016 £	2015 £
Drama Expressions for Children	3,000	-
Heidi Trumper	22,503	-
The Bel Fund	-	5,500
The Gorilla Organisation	-	3,500
Support Costs (note 4)	11,331	11,198
Governance costs (note 6)	720	636
	<u>37,554</u>	<u>20,834</u>

THE EDWARD SMART CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS

4. Support Costs	2016	2015
	£	£
Corporate trustee's fee	11,109	11,099
Website cost	195	99
Trustees' expenses	27	-
	<u>11,331</u>	<u>11,198</u>
5. Raising Funds	2016	2015
	£	£
Investment management fees	<u>20,845</u>	<u>21,513</u>
6. Governance costs	2016	2015
	£	£
Independent examination	<u>720</u>	<u>636</u>
	<u>720</u>	<u>636</u>
7. Investments	2016	2015
	£	£
Market value at 5 April 2015	1,217,576	1,124,783
Acquisitions at cost	161,801	713,961
Disposals at opening market value or later cost	(195,563)	(661,366)
Gains on sales	12,249	30,787
Net (loss)/gain on revaluation	<u>(61,031)</u>	<u>9,411</u>
Market Value at 5 April 2016	<u>1,135,032</u>	<u>1,217,576</u>
Historical cost at 5 April 2016	<u>1,106,947</u>	<u>1,128,459</u>
None of the investments are valued at more than 5% of the portfolio.		
8. Creditors: amounts falling due within one year	2016	2015
	£	£
haysmacintyre	720	636
S G Hambros Trust Company Limited	7,552	7,542
S G Hambros Bank Limited	5,201	5,373
	<u>13,473</u>	<u>13,551</u>

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

9. Comparative Statement of Financial Activities 2015

	Unrestricted Funds £	2015 Expendable Endowment £	Total Funds £
INCOME FROM:			
Investments	47,856	-	47,856
Total income	<u>47,856</u>	<u>-</u>	<u>47,856</u>
EXPENDITURE ON:			
Raising funds	-	21,513	21,513
Charitable activities	20,834	-	20,834
Total expenditure	<u>20,834</u>	<u>21,513</u>	<u>42,347</u>
Net income/(expenditure) before gains on investments	27,022	(21,513)	5,509
Net gains on investments	-	40,198	40,198
Net (losses) on currency	-	(824)	(824)
NET MOVEMENT IN FUNDS	27,022	17,861	44,883
RECONCILIATION OF FUNDS			
Total Funds Brought Forward	18,595	1,246,884	1,265,479
Total Funds Carried Forward	<u>45,617</u>	<u>1,264,745</u>	<u>1,310,362</u>

10. Trustees' Remuneration and Expenses

S G Hambros Trust Company Limited, a trustee, is responsible for the general administration and accountancy for the charity. In the year to 5 April 2016 fees were charged in the accounts for the company's services of £11,109 (2015: £11,099).

Expenses were reimbursed to one trustee during the year to 5 April 2016 for £27 (2015: Nil).

11. Analysis of Net Assets Between Funds

	Unrestricted £	Endowment £	Total £	2015 £
Investments	-	1,135,032	1,135,032	1,217,576
Current assets	69,689	65,442	135,131	106,337
Current liabilities	(8,272)	(5,201)	(13,473)	(13,551)
	<u>61,417</u>	<u>1,195,273</u>	<u>1,256,690</u>	<u>1,310,362</u>

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

12. Future Commitments

The Charity has no future commitments.

13. Transition to FRS 102

This is the first year the charity has presented its results under FRS 102. The last financial statements under UK GAAP were 5 April 2015. The date of transition to FRS 102 was 6 April 2014. There were no FRS 102 adjustments required.