

THE EDWARD SMART CHARITABLE TRUST

REGISTERED CHARITY NO: 1126892

ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2018

THE EDWARD SMART CHARITABLE TRUST

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' Report | 1 - 3 |
| Independent Examiner's Report | 4 |
| Statement of Financial Activities | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 - 11 |

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 (Retired on 29 June 2017)

Mr David Swanson

SG Hambros Trust Company Limited (Retired on 29 June 2017)

SG Kleinwort Hambros Trust Company (UK) Limited (Appointed on 29 June 2017 - SG Hambros and Kleinwort Benson legally merged in November 2016)

Principal Office

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

Bankers

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

Investment Manager

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

Independent Examiner

Mrs Tracey Young ACA

haysmacintyre, 10 Queen Street Place, London, EC4R 1AG

The Trustees present their report along with the financial statements of the charity for the year ended 5 April 2018. 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 assess grant applications and consider the making of appropriate grants twice yearly.

THE EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT

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.

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 2018 the expendable endowment fund stood at £1,221,702 (2017: £1,305,171).

The income in the year was £61,216 (2017: £58,971) and the expenditure was £103,759 (2017: £103,204).

The charity also recognised a unrealised loss on the market value of its investments of £98,612 (2017: gain of £127,540).

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 £67,537 to six charitable causes (2017 : £63,756 to eight 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 Kleinwort 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 total reserves of £1,240,213 (2017: £1,344,163) of which £1,221,702 (2017: £1,305,171) were expendable endowment funds and £18,511 (2017: £38,992) were unrestricted funds.

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.

The Trustees have identified the following risks:

Risk identified

- Investments will drop in value

- Donations made will not be spent how the trustee's would like-

Action taken to mitigate the risk

- Trustee's have appointed a professional firm to manage the investments

- Trustee's actively review the donations and ask for updates and reports

THE EDWARD SMART CHARITABLE TRUST

TRUSTEES' REPORT

Key management personnel

The trustees consider the Board of Trustees to be the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. Details of trustees' expenses and related party transactions are disclosed in note 9 to the accounts.

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.

Fundraising

The trust does not undertake any fundraising activities.

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.

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.

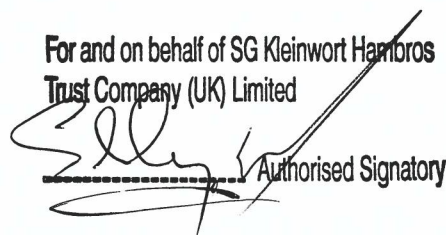
Approved by the Trustees and signed on behalf of the Trustees by:



Dated:

31.01.2019

For and on behalf of SG Kleinwort Hambros
Trust Company (UK) Limited



Authorised Signatory

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

I report to the Trustees on my examination of the accounts of The Edward Smart Charitable Trust for the year ended 5 April 2018 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 in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

I report in respect of my examination of the Trust's accounts as carried out under section 44 (1) (c) of the 2005 Act and section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts Regulations 2006 and the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the charity's income is in excess of £250,000, your examiner must be a member of a body listed in the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity as required by section 44 (1) (a) of the 2005 Act and section 130 of the 2011 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Mrs Tracey Young ACA

haysmacintyre

ICAEW Chartered Accountants

10 Queen Street Place

London

EC4R 1AG

Date **4/2/19**

THE EDWARD SMART CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2018

| | Note | 2018 | 2017 |
|--|------|-------------------------|-------------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Investments | 7 | 1,200,688 | 1,241,836 |
| CURRENT ASSETS | | | |
| Cash at Bank | | 58,901 | 121,838 |
| | | <u>58,901</u> | <u>121,838</u> |
| CURRENT LIABILITIES | | | |
| Creditors: amounts falling due within one year | 8 | 19,376 | 19,511 |
| | | <u>19,376</u> | <u>19,511</u> |
| NET CURRENT ASSETS | | <u>39,525</u> | <u>102,327</u> |
| NET ASSETS | | <u><u>1,240,213</u></u> | <u><u>1,344,163</u></u> |
| REPRESENTED BY | | | |
| Unrestricted Fund | | 18,511 | 38,992 |
| Expendable Endowment Fund | | 1,221,702 | 1,305,171 |
| | | <u>1,240,213</u> | <u>1,344,163</u> |

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

D. Hanson

Dated:

31.01.2019

For and on behalf of SG Kleinwort Hambros
Trust Company (UK) Limited

[Signature]
Authorised Signatory

THE EDWARD SMART CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2018

| | Note | Unrestricted Funds £ | 2018 Expendable Endowment £ | Total Funds £ | 2017 Total Funds £ |
|--|------|----------------------------|--------------------------------------|-------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Investments | 2 | 61,216 | - | 61,216 | 58,971 |
| Total income | | <u>61,216</u> | <u>-</u> | <u>61,216</u> | <u>58,971</u> |
| EXPENDITURE ON: | | | | | |
| Raising funds | 5 | - | 22,062 | 22,062 | 21,808 |
| Charitable activities | 3 | 81,697 | - | 81,697 | 81,396 |
| Total expenditure | | <u>81,697</u> | <u>22,062</u> | <u>103,759</u> | <u>103,204</u> |
| Net (expenditure) before gains on investments | | (20,481) | (22,062) | (42,543) | (44,233) |
| Net gains/(losses) on investments | 7 | - | (59,720) | (59,720) | 130,981 |
| Net gains on foreign exchange | | - | (1,687) | (1,687) | 725 |
| NET MOVEMENT IN FUNDS | | <u>(20,481)</u> | <u>(83,469)</u> | <u>(103,950)</u> | <u>87,473</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Total Funds Brought Forward | | <u>38,992</u> | <u>1,305,171</u> | <u>1,344,163</u> | <u>1,256,690</u> |
| Total Funds Carried Forward | | <u><u>18,511</u></u> | <u><u>1,221,702</u></u> | <u><u>1,240,213</u></u> | <u><u>1,344,163</u></u> |

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.

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 Assets (SOFA).

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies continued

(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.

(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

| | 2018 | 2017 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Dividends and interest | 61,193 | 58,920 |
| Interest on cash deposits | 23 | 51 |
| | <u>61,216</u> | <u>58,971</u> |

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

3. Charitable Activities

During the year to 5 April 2018 the charity made grants totalling £67,537 (2017: £63,756). Grants are listed below.

| | 2018 £ | 2017 £ |
|---------------------------|---------------|---------------|
| Ability North London | 4,000 | - |
| Chelsea Old Church | 25,000 | - |
| Cherish Memories | 3,000 | - |
| Get Set Girls | - | 5,000 |
| Hands Around the World | - | 4,500 |
| Heidi Trumper | - | 20,980 |
| INC Grants | 10,038 | - |
| The Be! Fund | - | 5,600 |
| The Outward Bound Trust | 5,520 | - |
| The Royal Masonic School | 19,979 | 10,428 |
| Their Future Today | - | 13,000 |
| Uniform4Kids | - | 248 |
| Young and Inspired | - | 4,000 |
| Support Costs (note 4) | 13,320 | 13,320 |
| Governance costs (note 6) | 840 | 4,320 |
| | <u>81,697</u> | <u>81,396</u> |

4. Support Costs

| | 2018 £ | 2017 £ |
|-------------------------|---------------|---------------|
| Corporate trustee's fee | 13,320 | 13,320 |
| | <u>13,320</u> | <u>13,320</u> |

5. Raising Funds

| | 2018 £ | 2017 £ |
|----------------------------|---------------|---------------|
| Investment management fees | 22,062 | 21,808 |
| | <u>22,062</u> | <u>21,808</u> |

6. Governance costs

| | 2018 £ | 2017 £ |
|-------------------------|------------|--------------|
| Legal fees | - | 3,600 |
| Independent examination | 840 | 720 |
| | <u>840</u> | <u>4,320</u> |

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

| 7. Investments | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Market value at 5 April 2017 | 1,241,836 | 1,135,032 |
| Acquisitions at cost | 295,594 | 188,355 |
| Disposals at opening market value or later cost | (295,486) | (212,532) |
| Gains on sales | 38,892 | 3,441 |
| Net (loss)/gain on revaluation | (98,612) | 127,540 |
| | | |
| Market Value at 5 April 2018 | 1,182,224 | 1,241,836 |
| Cash On: | | |
| SG Kleinwort Hambros Bank Limited | 18,464 | - |
| | | |
| Total Investments | 1,200,688 | 1,241,836 |
| | | |
| Historical cost at 5 April 2018 | 1,125,211 | 1,086,210 |

None of the investments are valued at more than 5% of the portfolio.

| 8. Creditors: amounts falling due within one year | 2018 | 2017 |
|--|-------------|-------------|
| | £ | £ |
| haysmacintyre | 780 | 720 |
| SG Kleinwort Hambros Trust Company (UK) Limited | 13,320 | 13,320 |
| SG Hambros Bank Limited | 5,276 | 5,471 |
| | | |
| | 19,376 | 19,511 |

9. Trustees' Remuneration and Expenses

SG Kleinwort Hambros Trust Company (UK) Limited, a trustee, is responsible for the general administration and accountancy for the charity. In the year to 5 April 2018 fees were charged in the accounts for the company's services of £13,320 (2017: £13,320).

No reimbursement of expenses have been made or are due to be made to the Trustees in respect of the year to 5 April 2018 (2017: £ Nil).

10. Future Commitments

The Charity has no future commitments.

THE EDWARD SMART CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

11. Comparative Statement of Financial Activities 2017

| | Unrestricted Funds £ | 2017 Expendable Endowment £ | Total Funds £ |
|--|----------------------------|--------------------------------------|---------------------|
| INCOME FROM: | | | |
| Investments | 58,971 | - | 58,971 |
| Total income | <u>58,971</u> | <u>-</u> | <u>58,971</u> |
| EXPENDITURE ON: | | | |
| Raising funds | - | 21,808 | 21,808 |
| Charitable activities | 81,396 | - | 81,396 |
| Total expenditure | <u>81,396</u> | <u>21,808</u> | <u>103,204</u> |
| Net (expenditure) before gains on investments | (22,425) | (21,808) | (44,233) |
| Net (losses) on investments | - | 130,981 | 130,981 |
| Net gains on currency | - | 725 | 725 |
| NET MOVEMENT IN FUNDS | <u>(22,425)</u> | <u>109,898</u> | <u>87,473</u> |
| RECONCILIATION OF FUNDS | | | |
| Total Funds Brought Forward | 61,417 | 1,195,273 | 1,256,690 |
| Total Funds Carried Forward | <u>38,992</u> | <u>1,305,171</u> | <u>1,344,163</u> |

12. Analysis of Net Assets Between Funds 2018

| | Unrestricted £ | Endowment £ | Total £ |
|---------------------|-------------------|------------------|------------------|
| Investments | - | 1,200,688 | 1,200,688 |
| Current assets | 32,611 | 26,290 | 58,901 |
| Current liabilities | (14,100) | (5,276) | (19,376) |
| | <u>18,511</u> | <u>1,221,702</u> | <u>1,240,213</u> |
| 2017 | | | |
| Investments | - | 1,241,836 | 1,241,836 |
| Current assets | 53,032 | 68,806 | 121,838 |
| Current liabilities | (14,040) | (5,471) | (19,511) |
| | <u>38,992</u> | <u>1,305,171</u> | <u>1,344,163</u> |

