THE STEEL CHARITABLE TRUST

Charity Commission Registered Number 272384

REPORT OF THE TRUSTEES AND ACCOUNTS

YEAR ENDED 31 JANUARY 2021

Contents

Registered In England & Wales (Charity Number 272384)

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REPORT OF THE TRUSTEES
YEAR ENDED 31 JANUARY 2021

The Trustees present their report with financial statements of the Trust for the year ended 31 January 2021. 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 Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* (second edition, effective 1 January 2019). The Charity 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.

It is the policy of the Trustees to distribute the net income generated in the year by way of grants to a wide range of charitable bodies. The Trustees do not make grants to individuals, expeditions or any entity registered or incorporated outside the United Kingdom. No fundraising is undertaken. There were no policy changes in the year.

GOVERNANCE AND MANAGEMENT
The power of appointment of new and additional trustees is held by the present Trustees.

Mr Wright was appointed by the Settlors and is eligible to serve for life or until either he resigns or becomes ineligible. Mrs Bailey had been appointed by the Trustees until 22 September 2021; in September 2020 Mr Lawford's term as Chairman came to an end and the Trustees invited Mrs Bailey to take on the Chairmanship for a three-year period which she accepted; therefore, the Trustees re-appointed Mrs Bailey as a Trustee (and as Chairman) 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.

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 will 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 run and a copy of the most recent audited accounts. In December 2020, having undertaken a careful recruitment process, the Trustees appointed Mr Peter Day and Ms Vanessa S Fox as Trustees.

The Trustees meet and consult regularly throughout the year to consider the strategic direction of the Trust and relevant 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. During the year the Trustees agreed to change the Risk Committee to a Risk and Audit Committee. The purpose of this Committee is to monitor the various risks to which the Trust is exposed, to manage the mitigation of such risks and to monitor and oversee the annual audit.

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 on-line 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

REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JANUARY 2021

POLICIES AND PROCEDURES FOR GRANT MAKING (continued)

The Trustees do not make grants to individuals, to political parties, for expeditions, for the promotion of religion or to any entity registered or incorporated outside the United Kingdom. Applications from Bedfordshire generally and Luton in particular are welcome. There were no policy changes in the year.

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 93 grants totalling £1,168,785, of which grants totalling £1,120,673 were made to 88 charities registered in England & Wales (one charity received two separate grants), one grant of £25,000 was made to a charity registered in Scotland, one grant of £14,612 was made to a charity in Northern Ireland and grants totalling £8,500 were made to two other charitable organisations in the United Kingdom, eligible under the Trust's grant-making policy (such as Exempt Charities, Community Interest Companies, etc.).

The Trust receives many more applications than it has funds to support. 4.9% of the applications received 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. As the Trust makes a considerable number of grants during the year, details of which may be found on our website, the Trustees rely primarily upon their beneficiaries to ensure that such grants are used for their intended purposes. However, for single or multiple grants of £20,000 or more, it is a condition that the Trustees require, within ten months of the grant being paid, a report summarising the outputs and outcomes of the grant.

As reported in last year's Report of the Trustees, the Trustees launched in 2020 a new initiative - Luton Matters - designed to assist organisations whose work brings significant benefits to residents of Luton, Bedfordshire or improvements to the town. The first grant was awarded in April 2020 in the category of Social or Economic Disadvantage; the award in Arts and Heritage was made in June 2020. Full details of the Luton Matters scheme are available on the Trust's website under Grants.

FINANCIAL REVIEW

The principal source of income of the Trust is from its investment portfolio. It is the policy of the Trustees to distribute the net income, which may be summarised as follows:

	2021	2020
	£	£
Net income available for distribution	1,267,520	1,407,892
Grants	(1,168,785)	(1,252,673)
Undistributed income at 31 January	**£98,735**	**£155,219**

At 31 January 2021, capital funds amounted to £50,877,727 (2020: £36,044,722) and undistributed income amounted to £98,735 (2020: £155,219).

INVESTMENT POLICY AND PERFORMANCE

The aims are to continue to maximise the income available for distribution to charitable bodies while still aiming for some capital growth over the longer term. All investments held by the Trust have been made in accordance with the powers available to the Trustees.

Investment income received during the year, net of fund managers' fees deducted at source, represented a yield of 3.99% on the value of the investments at 31 January 2021, compared with 4.98% for the previous year.

The outbreak of Coronavirus was declared a global pandemic on 11 March 2020 by the World Health Organisation. The pandemic has impacted the global financial markets and, as a result, the investment income received by the Trust was lower than anticipated. Consequently, the Trustees made the decision in June 2020 to reduce the grants budget for the year.

The investments held at 31 January 2020, excluding Toddington Road Properties Limited, decreased in value over the year by 11.43%. This compared with the decrease of 10.24% in the FTSE All-Share Index over the same period. However since 31 October 2020 the investments increased by 17.51% compared with 15.57% in the FTSE All-Share Index over the same period.

As set out in Note 5 of the accounts, the land owned by Toddington Road Properties Limited (a wholly owned subsidiary company of the Trust) was sold on 11 March 2021 and the surplus arising from the sale has been gifted to the Trust.

RESERVES POLICY

The assets that make up the funds of the Trust are unrestricted, fully expendable and are available as the Reserve Fund of the Trust. However, the Trustees distinguish between capital and income. As indicated above, it is the policy of the Trustees to distribute the net income generated each year by way of grants, while aiming for growth over the longer term in respect of capital.

REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JANUARY 2021

RISK MANAGEMENT
The Trustees 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 principal object of the Trust is to pay its net income to charitable bodies in the form of grants, the major risk facing the Trust is that the income received from its investments might significantly fall, thereby reducing the extent of its grant-making capacity. As a consequence, the policy of the Trustees is that the majority of the investments should be held in unit trusts and/or common investment funds, managed by well respected investment fund managers. The Trustees meet the fund managers on a regular basis.

POTENTIAL RISKS AND RISK MANAGEMENT IN RELATION TO THE CORONAVIRUS PANDEMIC
Operationally, there was minimal impact on the Trust. The IT systems are such that working from home could be 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 was used so that no break in communications with potential applicants and grant awardees was experienced. The office is visited occasionally for essential purposes.

The Trust Manager prepared a COVID-19 contingency plan which identified essential processes/transactions that would need to be covered should either or both the Trust Manager and the Financial Controller became seriously ill. A Trustee was assigned to each process/transaction as a back-up and trained accordingly.

During the first three months of the pandemic, enquiries about emergency grants and applications for new grants soared. Many grant awardees requested waivers of conditions or change of use or reported delays to projects. The Trustees took a sympathetic approach to these requests, authorising pragmatic requests and agreeing new timescales where appropriate. By the end of March 2020, the Trust Manager had set up a system whereby Trustees could consider emergency grants outside the normal application window. 24 such requests were considered over a period of five weeks and, as a result, several exceptional grants were awarded within two to three weeks of the request being received. Several applicants had the 12-month gap usually required between applications waived so that they could be granted exceptional awards at the June meeting. An award of £20,000 was made to the Bedfordshire and Luton Community Foundation, which led the way in providing emergency support to the local Luton community by securing grants from a number of local funders. In September 2020 the Trust approved a further grant of £50,000, payable over two years to the Foundation, to assist in the creation of a Post-COVID-19 Stability Fund.

Approximately 500 grant applications are now received in each quarter, approximately double the rate of two years ago but, as noted above, less than 5% of applications were successful.

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 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 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.

GENERAL DATA PROTECTION REGULATION (GDPR)
The Trust's compliance with the GDPR is kept under review.

REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 JANUARY 2021

PLANS FOR THE FUTURE
The Trustees will continue to develop the Trust by:

* distributing the net undistributed income to charitable organisations;
* making changes to the investment portfolio whenever considered appropriate;
* forming a Grant-Making Policy Review Committee;
* continuing with the Luton Matters programme, making the third award (health category) in March 2021 and inviting applications for the remaining categories in the summer of 2021.

INDEPENDENT AUDITORS
The Trustees have re-appointed Haysmacintyre LLP, Chartered Accountants, to act as Independent Auditors to The Steel Charitable Trust.

Approved by the Trustees on 21 June 2021 and signed on their behalf by:

W. Bailey
....

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
YEAR ENDED 31 JANUARY 2021

Opinion
We have audited the financial statements of The Steel Charitable Trust for the year ended 31 January 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2021 and of the charity's net movement in funds 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 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. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information
The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements
As explained more fully in the Trustees' responsibilities statement set out on page 4, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES - CONTINUED
YEAR ENDED 31 JANUARY 2021

Auditor's responsibilities for the audit of the financial statements (continued)
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:

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing the controls and procedures of the Charity to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report
This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

29 June 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
INCOME FROM:			
Investments	2 a)	1,190,093	1,389,317
Other	2 b)	6,702	6,422
Total Income		1,196,795	1,395,739
EXPENDITURE ON:			
Charitable activities	3	1,252,445	1,339,782
Total Expenditure		1,252,445	1,339,782
NET (LOSS)/INCOME, before net (losses)/gains on investments		(55,650)	55,957
Net gains on investments	5 a)	14,832,171	5,237,183
NET INCOME AND NET MOVEMENT IN FUNDS		14,776,521	5,293,140
Unrestricted funds brought forward		36,199,941	30,906,801
UNRESTRICTED FUNDS AT 31 JANUARY		**£50,976,462**	**£36,199,941**

All income and expenditure in the years to 31 January 2021 and 31 January 2020 was unrestricted.

BALANCE SHEET
AT 31 JANUARY 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	5 a)	50,152,196	35,359,943
CURRENT ASSETS			
Cash at bank		1,079,875	998,522
Debtors	6	12,782	8,761
TOTAL CURRENT ASSETS		1,092,657	1,007,283
LIABILITIES			
Creditors - Amounts falling due within one year	7	(187,391)	(105,285)
NET CURRENT ASSETS		905,266	901,998
TOTAL ASSETS LESS CURRENT LIABILITIES		51,057,462	36,261,941
Creditors - Amounts falling due after more than one year	8	(81,000)	(62,000)
NET ASSETS		**£50,976,462**	**£36,199,941**
Representing:			
TRUST FUNDS			
Balance at 1 February		36,044,722	30,807,002
Capital additions	2 b)	834	537
Net gains on investments	5 a)	14,832,171	5,237,183
Balance at 31 January		50,877,727	36,044,722
Undistributed income	9	98,735	155,219
UNRESTRICTED FUND BALANCES AT 31 JANUARY		**£50,976,462**	**£36,199,941**

Approved by the Trustees on 21 June 2021 and signed on their behalf by:

W. Bailey

STATEMENT OF CASH FLOWS
YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	13	(1,154,526)	(1,228,972)
Cash flows from investing activities:			
Investment income and interest	2 a) & b)	1,195,961	1,395,202
Purchase of investments	5 a)	(2,960,082)	(990,827)
Sale of investments	5 a)	3,000,000	1,000,000
Net cash provided by investing activities		1,235,879	1,404,375
Change in cash and cash equivalents in the year		81,353	175,403
Cash and cash equivalents at 1 February		998,522	823,119
Cash and cash equivalents at 31 January		£1,079,875	£998,522

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JANUARY 2021

1 ACCOUNTING POLICIES

a) Statement of compliance
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 Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* (second edition, effective 1 January 2019). The Charity 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 the subsidiary company have not been consolidated. Further information is disclosed in Note 5 b).

b) Capital
Additions to capital representing realisations of interest assigned to the Trust in land-owning joint ventures are included at the values received by the Trustees.

c) Investments
All investments are unlisted and are recorded at cost and valued at market value or the Trustees' estimate of market value at the year end.

Holdings in unit trusts and common investment funds, managed by the fund managers, are valued at the bid price.

d) Income
Dividend income and Income Distributions are recorded when receivable. Interest is recorded when received.

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.

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 judgments and sources 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 judgment in applying the Trust's accounting policies. The key judgements that have been applied by management relate 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.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JANUARY 2021

1 ACCOUNTING POLICIES (continued)

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.

2 INVESTMENT INCOME

	Notes	2021 £	2020 £
a) Unlisted		1,188,751	1,384,009
Bank interest		1,342	5,308
		£1,190,093	**£1,389,317**

All income is from investments made in the UK.

b) Other income represents a distribution of income by the wholly owned unlisted company of £5,868 (2020: £5,885) and additions to capital of £834 (2020: £537).

3 ANALYSIS OF CHARITABLE EXPENDITURE

The Trust undertakes its charitable activities by grant making and awarded grants to a number of institutions in furtherance of its charitable activities. All grants were made to institutions.

	Notes	2021 £	2020 £
Grants provided in previous years	7 & 8	(152,250)	(50,500)
Grants paid in the year		1,069,035	1,150,923
Grants payable in future years	7 & 8	252,000	152,250
Grants total	14	1,168,785	1,252,673
Support and Governance costs	4 a)	83,660	87,109
		£1,252,445	**£1,339,782**

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

4 SUPPORT AND GOVERNANCE COSTS

a) Allocation of support costs and overheads - 2021

	Governance £	Charitable Activities £	Total £
Staff costs	6,063	24,251	30,314
Consultant's costs	4,873	19,492	24,365
Audit	6,780	-	6,780
Trustees' recruitment costs	2,356	-	2,356
General expenses	1,072	18,773	19,845
	£21,144	**£62,516**	**£83,660**

a) Allocation of support costs and overheads - 2020

	Governance £	Charitable Activities £	Total £
Staff costs	5,821	23,285	29,106
Consultants' costs	5,728	26,154	31,882
Audit	6,480	-	6,480
General expenses	1,653	17,988	19,641
	£19,682	**£67,427**	**£87,109**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JANUARY 2021

4 SUPPORT AND GOVERNANCE COSTS (continued)

	Notes	2021 £	2020 £
b) Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel:			
Salary		28,800	28,000
Pension Contributions		1,440	840
Expenses		74	266
		£30,314	£29,106

There was one part-time employee during the year, equivalent to 0.6 full-time employee (2020: 0.6). All employee time was involved in providing support to the governance and charitable activities of the Trust.

No employee had emoluments in excess of £60,000 in either year.

The Trustees did not receive any remuneration in the year (2020: £Nil). Included under General expenses, the expenses for travel, accommodation and certain office costs, which were reimbursed to or paid on behalf of 4 Trustees, amounted to £479 (2020: 4 Trustees £1,644).

5 INVESTMENTS

	Notes	2021 £	2020 £
a) At valuation 1 February		35,359,943	30,131,933
Additions		2,960,082	990,827
Disposals		(3,000,000)	(1,000,000)
Net gains on investments		14,832,171	5,237,183
At valuation 31 January		£50,152,196	£35,359,943
Comprising:			
M & G Equities Investment Fund for Charities (Charifund) Income units		23,696,230	24,987,499
M & G Charibond Income shares		725,390	2,737,348
Federated Hermes Property Unit Trust units		1,980,576	2,085,096
Wholly owned unlisted company	5 b) & c)	23,750,000	5,550,000
		£50,152,196	£35,359,943

All investments are made in the UK and are unlisted at 31 January 2021 and 31 January 2020.

b) Wholly owned unlisted company - Toddington Road Properties Limited
The registered address of the subsidiary company is Suite 411, Jansel House, Hitchin Road, Luton, Bedfordshire, LU2 7XH; its company number is 00561005.

The main asset owned by the subsidiary company is freehold land, which was let under a 99-year lease with effect from 1 March 1966 at a fixed rent. On 23 November 2020 the company entered into an Option Agreement under which the tenant had the right to purchase the freehold land at an agreed fixed price on or before 31 March 2021. On 18 December 2020 and, under the terms of the Option Agreement, the tenant assigned the Option Agreement (and the lease) to a third party. Consolidated accounts have not been prepared, as the group and charity accounts would not be materially different and the income and expenditure of the company is not material.

c) Post Balance Sheet Event
Under the terms of the Option Agreement, referred to in Note 5 b) above, on 11 March 2021 the company sold the land for a consideration of £24,000,000. Following the receipt of the proceeds and the payment of professional fees incurred in connection with the sale, the company made qualifying charitable donations of the net surplus to the Trust.

6 DEBTORS

	2021 £	2020 £
Prepayments and Accrued Income	11,844	7,825
Other debtors	938	936
	£12,782	£8,761

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JANUARY 2021

7 CREDITORS PAYABLE WITHIN ONE YEAR

	Notes	2021 £	2020 £
Independent Auditor's fees		6,780	6,480
Tax and Social Security		436	424
Pension Contributions		264	210
Other creditors		8,911	7,921
Grants payable	3	171,000	90,250
		£187,391	£105,285

8 CREDITORS PAYABLE AFTER MORE THAN ONE YEAR

	Notes	2021 £	2020 £
Grants payable	3	£81,000	£62,000

9 UNRESTRICTED INCOME AVAILABLE FOR DISTRIBUTION

	Notes	2021 £	2020 £
Investment income	2 a)	1,190,093	1,389,317
Income from wholly owned unlisted company	2 b)	5,868	5,885
		1,195,961	1,395,202
Support and Governance costs	4 a)	(83,660)	(87,109)
		1,112,301	1,308,093
Undistributed income at 1 February		155,219	99,799
Distributable income available for the year		1,267,520	1,407,892
Grants total	3	(1,168,785)	(1,252,673)
Undistributed income at 31 January		£98,735	£155,219

10 OPERATING LEASE COMMITMENTS

At 31 January 2021, the Trust was committed to make the following estimated payments in respect of an operating lease.

Rent due under Lease	2021 £	2020 £
Within one year	6,839	6,587
Within two to five years	27,641	1,326
Greater than five years	1,353	-
	£35,833	£7,913

11 FUTURE GRANT COMMITMENTS

At 31 January 2021 there were contingent liabilities relating to total conditional grants of £415,400 (2020: £195,400) payable over the next six 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 RELATED PARTY TRANSACTIONS

There were no related party transactions in the years ended 31 January 2021 and 2020.

13 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2021 £	2020 £
Net (loss)/income, before net (losses)/gains on investments		(55,650)	55,957
Investment income and interest	2 a) & b)	(1,195,961)	(1,395,202)
(Increase)/decrease in debtors		(4,021)	9,374
Increase in creditors		101,106	100,899
Net cash provided by operating activities		£(1,154,526)	£(1,228,972)

14 GRANTS MADE

A list of the grants made in the years ended 31 January 2021 and 2020 can be found on our website on the link below:

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