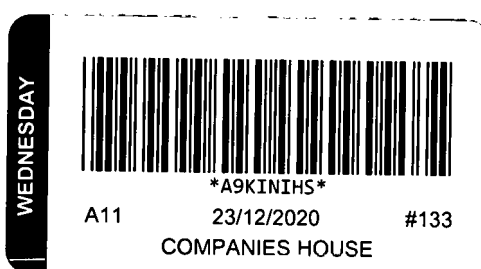


Registered Charity No. 1173336
Registered Company No. 10654855 (England & Wales)

Fairy Water Trust
Trustees' report and unaudited financial statements
Year Ended 31 March 2020



Fairy Water Trust

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Fairy Water Trust

Trustees' and charity information

Trustees	Mark Tellwright Anna Cockell Tiger Tellwright Cockell Finbar Tellwright Cockell
Registered address	71 Queen Victoria Street London EC4V 4BE
Charity number	1173336
Company number	10654855
Independent examiner	Cara Turlington FCA DChA Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Santander UK plc Bridle Road Bootle Merseyside L30 4GB

Fairy Water Trust

Trustees' report

Year ended 31 March 2020

The trustees (known as directors under company law) present their annual report and financial statements for the charity for the year ended 31 March 2020.

Legal status and constitution

Fairy Water Trust is a company limited by guarantee. It was incorporated on 6 March 2017 and is governed by its Memorandum and Articles of Association, dated 6 March 2017.

Structure, governance and management

The trustees that served during the year are shown on page 1.

Trustees are recruited and appointed in accordance with the charity's governing document and with relevant legislation.

Objectives and activities

The charity's objects are:

1. For the public benefit to advance such other exclusively charitable objects and purposes as the Directors may in their discretion think fit.

In planning the activities of the charity the trustees have given due regard to the Charity Commission's guidance on public benefit.

Achievements and performance

The Trustees continued to focus on the administration of the Trust. In addition, the Trustees met on a regular basis to review both possible investment opportunities and the many applications from charities.

Several charitable grants were made throughout the year in furtherance of the objects.

Financial review

The statement of financial activities on page 6 sets out the results of the charity for the year.

The charity received total income and endowments of £36,446 (2019: £2,506,118) during the year. Total expenditure was £62,495 (2019: £14,027), including £35,500 on grants to institutions (2019: £3,120).

At the year end the charity had total funds of £2,471,022 (2019: £2,497,071), including unrestricted funds of £nil (2019: £nil), restricted funds of £30,655 (2019: £nil) and expendable endowment of £2,440,367 (2019: £2,497,071).

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Reserves policy

At 31 March 2020, the reserves of the charity comprised the unrestricted fund, a restricted fund and the expendable endowment fund. The expendable endowment fund was established with a significant donation from the Founder during the prior year.

Fairy Water Trust

Trustees' report (continued) **Year ended 31 March 2020**

During the year all charitable donations received by the charity were restricted to the Living Uplands project.

At the year end the charity had free reserves, being the unrestricted fund, of £nil (2019: £nil). The trustees are satisfied with the level of free reserves held.

This is the third period of activity for the charity and the trustees are currently in the process of approving a reserves policy for the charity. At present the trustees do not consider it necessary to maintain substantial reserves in the unrestricted fund.

Investment policy

The Trustees finalised their investment policy in April 2020 and placed £250,000 with its appointed *Investment Manager* at that time.

There are no factors which limit the need for diversification. The charity would want to limit its exposure to any one transaction or investment to 50% of the total net assets held by the Charity.

A balanced approach between income and capital growth should be adopted. The Charity wishes to attempt to maintain the capital value of the Investment Funds at least in line with current inflation rates.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been, or will be, established to enable the necessary steps to be taken to lessen these risks.

The Trustees continued to take advice on major strategic, business and operational risks in order to lessen these risks.

Due to the continued uncertainty in the investment and financial markets, investment activity was minimal and no investments were concluded.

The Trustees continue to monitor this with the objective of increasing the grant making programme.

Related parties

The charity has a 100% owned subsidiary, Fairy Water Trading Limited, which was incorporated on 21 November 2017. Since incorporation the subsidiary has been dormant.

On 20 November 2020, a 100% owned subsidiary, Living Uplands Limited, was incorporated and is currently dormant.

Future plans

Throughout the year, the charity has, working in partnership with the Durham Wildlife Trust, supported the Living Uplands project, a charitable wildlife and conservation project.

Over the next financial period, the charity intends to formalise the governance structure in relation to Living Uplands project and will bring the management and administration of that project within the constitutional

Fairy Water Trust

Trustees' report (continued)

Year ended 31 March 2020

structure of the charity. The charity envisages providing more funding to promote and develop this project, with anticipated environmental outcomes for the charity as a result of the same.

As a result of COVID 19, the charity's investment income returns have diminished and like many other charities, a portfolio of stocks and shares is not delivering returns to support significant charitable giving in the short term. The charity will spend capital if it identifies worthy projects in need of support throughout the year, but the trustees will act cautiously to ensure that any funding is provided to support charities (and charitable causes) to have a sustainable future, rather than funding short-term deficits/shortfalls.

The trustees will continue to consider potential investment opportunities, in particular to ensure that investments are producing returns for the charity notwithstanding the economic impact of COVID 19.

Statement of trustees' responsibilities

The trustees (who are also directors of Fairy Water Trust for the purposes of company law) 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).

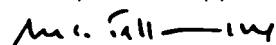
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board of trustees on 11th December 2020 and signed on its behalf by:



.....
Mark Tellwright
Trustee

Fairy Water Trust

Independent examiner's report to the trustees of Fairy Water Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Respective responsibilities of trustees and examiner

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Basis of independent examiner's report

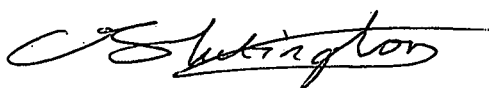
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or 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

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



.....
Cara Turtington FCA DChA
Saffery Champness LLP, Chartered Accountants
71 Queen Victoria Street, London, EC4V 4BE
Date: 15 December 2020

Fairy Water Trust

Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 March 2020

		Unrestricted funds £	Restricted funds £	Expendable endowment funds £	Total funds 2020 £	Total 2019 £
	Note					
Income and endowments from						
Donation income	2	-	34,655	-	34,655	2,500,000
Investment income		1,791	-	-	1,791	6,118
Total income and endowments		1,791	34,655	-	36,446	2,506,118
Expenditure:						
Expenditure on charitable activities	3	58,495	4,000	-	62,495	14,027
Total expenditure		58,495	4,000	-	62,495	14,027
Net (expenditure)/income		(56,704)	30,655	-	(26,049)	2,492,091
Transfer between funds		56,704	-	(56,704)	-	-
Net movement on funds		-	30,655	(56,704)	(26,049)	2,492,091
Total funds brought forward		-	-	2,497,071	2,497,071	4,980
Total funds carried forward		-	30,655	2,440,367	2,471,022	2,497,071

The notes on pages 8 to 14 form part of these financial statements.

The statement of financial activities contains all recognised gains and losses for the financial period.

The results for the period all relate to continuing activities.

Fairy Water Trust

Balance sheet As at 31 March 2020

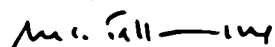
		2020 £	2019 £
Fixed assets	Note		
Investments	4	2	2
Current assets			
Debtors	5	2,645	1,000,000
Cash at bank		2,470,377	1,499,071
		<u>2,473,022</u>	<u>2,499,071</u>
Current liabilities			
Creditors: amounts falling due within one year	6	(2,002)	(2,002)
Net current assets		2,471,020	2,497,069
Net assets		<u>2,471,022</u>	<u>2,497,071</u>
Charity funds			
Expendable endowment fund		2,440,367	2,497,071
Restricted fund		30,655	-
Unrestricted funds		-	-
Total funds	7	<u>2,471,022</u>	<u>2,497,071</u>

For the year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the trustees on 11th December 2020 and signed on their behalf by:



Mark Tellwright

Trustee

Company registration number 10654855

The notes on pages 8 to 14 form part of these financial statements.

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined under FRS 102.

Despite the impact of Covid-19, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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

1.2 Members

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is £1 per member of the charity. At 31 March 2020, the total of such guarantees was £4 (2019: £4).

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donation income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All costs can be directly attributed to an expense category.

1.5 Taxation

Fairy Water Trust is a registered charity and as such is not liable to corporation tax on its income derived wholly from charitable activities.

1.6 Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity without specified purpose.

Fairy Water Trust

Notes to the financial statements (continued) Year ended 31 March 2020

Restricted funds are amounts which are specified by the donor to be used solely for particular projects undertaken by the charity.

The expendable endowment represents donations from the Founder. The trustees have the power to convert endowment funds in to income and it is therefore classified as an expendable endowment.

1.7 Financial instruments

The charity only has financial instruments 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The charity does not currently have any bank loans.

1.8 Judgements and estimates

In the application of the accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

2. Donation income

	Unrestricted funds	Restricted funds	Expendable endowment funds	Total	Total and expendable endowment
	2020	2020	2020	2020	2019
	£	£	£	£	£
Donations	-	32,011	-	32,011	2,000,000
Gift aid income	-	2,644	-	2,644	500,000
	-	34,655	-	34,655	2,500,000

The charity received unrestricted donations totalling £nil (2019: £2,500,000) from trustees, along with associated gift aid income.

Fairy Water Trust

Notes to the financial statements (continued)

Year ended 31 March 2020

3. Expenditure on charitable activities

	2020 £	2019 £
Grants		
Marine, wildlife and sailing	20,000	3,120
Children's charities	15,500	-
Direct costs		
Project costs	4,000	-
Support costs		
Bank charges	64	60
Accountancy and taxation services	7,996	5,876
Legal and professional fees	14,935	4,203
Sundry expense	-	768
	<u>62,495</u>	<u>14,027</u>

The charity had no direct employees in the year (2019: none).

No trustee received any remuneration during the period, nor were any trustee expenses reimbursed. The trustees are considered to be the key management personnel of the charity.

Office space is provided by one of the trustees. The value of this gift in kind is considered to be de minimis and therefore is not brought in to these accounts.

Accountancy and taxation services includes an independent examiner's fees (not including VAT) of:

- For the independent examination £1,600 (2019: £1,000)
- For other services £5,050 (2019: £200)

All grants made during the year were paid to institutions.

Significant grants in the year were £10,000 to Ellen MacArthur Cancer Trust, £10,000 to Durham Wildlife Trust, £5,000 to Cyclists Fighting Cancer, £4,000 to Together for Short Lives, £3,000 to Honeypot's Children's Charity and £3,000 to Twins Trust.

Fairy Water Trust

Notes to the financial statements (continued) Year ended 31 March 2020

4. Investments

The charity owns 100% of the share capital in Fairy Water Trading Ltd (company registration number 11074077), a private company limited by shares and registered in England and Wales.

The subsidiary has not traded to date and is a dormant company.

The registered office of Fairy Water Trading Ltd is 71 Queen Victoria Street, London, EC4V 4BE.

5. Debtors

	2020	2019
	£	£
Other debtors	-	1,000,000
Accrued income	2,645	-
	<u>2,645</u>	<u>1,000,000</u>

Other debtors at 31 March 2019 relates to an amount which was held on deposit for potential investment. This deposit has subsequently been returned to the charity.

6. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	2,000	2,000
Other creditors	2	2
	<u>2,002</u>	<u>2,002</u>

The comparative figure includes a reclassification of £2 to show the investment in the trading subsidiary.

7. Movement on funds

Current year	At 31 March 2019	Income	Expenditure	Transfer	At 31 March 2020
	£	£	£	£	£
Expendable endowment fund	2,497,071	-	-	(56,704)	2,440,367
Restricted fund:					
Living Uplands	-	34,655	(4,000)	-	30,655
Unrestricted funds	-	1,791	(58,495)	56,704	-
	<u>2,497,071</u>	<u>36,446</u>	<u>(62,495)</u>	<u>-</u>	<u>2,471,022</u>

Fairy Water Trust

Notes to the financial statements (continued)

Year ended 31 March 2020

Comparative year	At 31 March 2018	Income	Expenditure	Transfer	At 31 March 2019
	£	£	£	£	£
Expendable endowment fund	-	2,500,000	-	(2,929)	2,497,071
Unrestricted funds	4,980	6,118	(14,027)	2,929	-
	<u>4,980</u>	<u>2,506,118</u>	<u>(14,027)</u>	<u>-</u>	<u>2,497,071</u>

The trustees have chosen to make a transfer from the expendable endowment fund to the unrestricted fund to cover the deficit on this fund.

Restricted funds

Living Uplands – the charity has worked in partnership with Durham Wildlife Trust to support a conservation and wildlife project, Living Uplands. This fund represents amounts received from third party donors specifically towards this project.

Fairy Water Trust

Notes to the financial statements (continued) Year ended 31 March 2020

8. Analysis of net assets by fund

Current year	Unrestricted funds	Restricted funds	Expendable endowment	Total 2020
	£	£	£	£
Investments	2	-	-	2
Current assets	2,000	30,655	2,440,367	2,473,022
Current liabilities	(2,002)	-	-	(2,002)
Net assets	-	30,655	2,440,367	2,471,022
Comparative year	Unrestricted funds	Restricted funds	Expendable endowment	Total 2019
	£	£	£	£
Investments	2	-	-	2
Current assets	2,000	-	2,497,071	2,499,071
Current liabilities	(2,002)	-	-	(2,002)
Net assets	-	-	2,497,071	2,497,071

9. Related party transactions

Other than explained in note 2, there were no related party transactions during the year.

Fairy Water Trust

Notes to the financial statements (continued)

Year ended 31 March 2020

10. Comparative statement of financial activities

	Unrestricted funds £	Expendable endowment funds £	Total 2019 £
Income and endowments from			
Donation income	-	2,500,000	2,500,000
Investment income	6,118	-	6,118
Total income and endowments	6,118	2,500,000	2,506,118
Expenditure:			
Expenditure on charitable activities	14,027	-	14,027
Total expenditure	14,027	-	14,027
Net (expenditure)/income	(7,909)	2,500,000	2,492,091
Transfer between funds	2,929	(2,929)	-
Net movement on funds	(4,980)	2,497,071	2,492,091
Total funds brought forward	4,980	-	4,980
Total funds carried forward	-	2,497,071	2,497,071