

THE HENRY SMITH CHARITY
Registered Charity 230102

**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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Chairman's Review of 2010

The year under review turned out to be the calm before the storm as the new Government announced its plans for public spending reductions and charities began to understand the implications. We experienced a 17% increase in applications, with a particularly sharp rise in the second half of the year, and are seeing a high level of applications in 2011 as charities seek to adjust and to fund essential posts. It is probable that this financial environment will become the norm for several years. The quality of people leading and governing charities and their ability to adapt quickly to changing realities will be a critical factor in assessing applications.

The efficiency and effectiveness of the Charity's grant making was the main topic for the first ever Trustee Strategy awayday, when we considered how best to balance Staff, Trustee and Visitor input into a system which will be robust enough to manage the additional workload. It was a productive and stimulating day, and will lead to some significant improvements.

Partnerships have become an increasingly important part of our funding, enabling us to fund work in new ways or in specialist fields which require expert knowledge. Existing partnerships were supplemented by three new initiatives in 2010. We invested in the first Social Impact Bond set up by Social Finance to fund work with ex-offenders in Peterborough in a way which potentially enables funders to be repaid their investment with some additional return depending on performance. The Charity also invested in Venturesome's Development Programme, which provides lending and other financing to charities. A new partnership with the Cripplegate Foundation was also agreed to help fund work in Islington which potentially offers models which we can share with other partners.

Our East Lancashire Major Grant programme concluded with an evaluation and a workshop with grantees to present its findings. We learnt many useful lessons about funding less experienced charities in a difficult environment and the kind of support they might need. We are especially grateful to the local panel and consultant who helped ensure our grant decisions were well informed by the local context.

Our Domestic Violence programme with the Trust for London was completed and the evaluation published early in 2011. This reinforced the powerful case for Independent Domestic Violence Advocates made in the earlier evaluation of the work which was funded with Hestia. We hope these lessons are taken on board by public funders as well as the sector generally.

The Investment portfolio saw total returns of 10.4% during the year, with a value of £712m at year end. Over a 3 year period our diversified portfolio has provided returns in excess of the MSCI World equity index, with significantly lower volatility.

We were delighted to welcome two new Trustees – Patrick Maxwell and Vivian Hunt.

We held our annual Conference for Visitors in April 2010, and for the first time invited the Community Foundations with whom we work. We are very grateful for all the excellent work they do on our behalf. We welcomed Hilary Davison, Deborah Hinton, Kerr McConnell and JoJo Stephens as new Visitors during the year.

The full impact of the reduced government spending both at a national and local level will continue for some time. As a result, the Trustees are especially sympathetic to supporting the core funding requirements of charities whose work we know well. Grants for capital and new work are still made, but the Trustees require convincing evidence of future revenue sustainability.

We are lucky to have a dedicated and highly skilled team working at Henry Smith. The demands on their time and knowledge have increased in 2010, and are unlikely to reduce in 2011.

J.D. Hambro

Grant Highlights from 2010

We have described a few of the grants we made in 2010, to illustrate the diverse range of organisations and activities we support.

Action Medical Research (National)

Some children with cerebral palsy are very difficult to seat comfortably because they suffer from whole body spasms which cause them to keep trying to extend their body. These movements cause pain and mean the children can only be comfortable for long periods if they sit on someone's lap. There are disabled children and adults who are totally dependant upon their seating systems and literally live in them. A moving and responsive seat design would be a welcome technical solution to this problem.

A three year grant totalling £124,200 was made to Action Medical Research towards Professor Roger Orpwood's research carried out between the Bath Institute of Medical Engineering, University of Bath and Great Ormond Street Hospital for Children.

The grant is now in its last year and has resulted in a totally new prototype seat being designed and manufactured. The work has been presented at an international conference and the new technology could result in the design of other seating or head supports for less disabled children and adults.

Riley and his mother, Mandy Runciman. Riley was one of the first participants to help develop the chair.



Photo by Ben Rector. © Action Medical Research 2011

Motorvations (Essex)

Based in the London Borough of Havering, Motorvations works to break the cycle of social exclusion by engaging young people in London and Essex in motor vehicle, educational and recreational activities using formal and informal education processes. The project supports excluded children and young people aged between 13 and 17, working with between 80 and 100 per week.

The activities are carried out in fully equipped workshops and include a community bicycle refurbishment project where old donated bicycles are repaired and then donated to local charities, once a year sending some to a children's orphanage in Zambia where the children use them to cycle the 4^{1/2} miles to their school.

A three year grant totalling £45,000 was made in 2008 towards a construction skills training programme to tie in with the 2012 Olympics. During the three years of the grant, the charity engaged with 64 young people of whom 70% achieved a National Open College Network qualification. The most ambitious part of the project was the construction of a hovercraft with design plans purchased from an American company.

Grant Highlights from 2010

The Osmani Trust (London)

The Osmani Trust is based in Tower Hamlets and works with disaffected and disengaged young people in East London. The Trust received a three year grant in 2008 totalling £105,100 towards the Aasha Gang Conflict Mediation Project.



The project was originally established as a rapid response to mediate in gang conflicts as they occurred. Aasha considers the root causes of territorialism, racism and sectarianism, and provides a series of structured workshops, sports and outreach initiatives to address the tensions. Once the young people have completed the Aasha programme they are signposted on to education and employment. In the year 2008-9, some three thousand young people participated in the Gang Conflict Mediation Project. The local police recognise the success of this work.

Peer Workers drawn from previous intakes are closely involved in the running of the project, development and co-ordination of the activities. Some young people also represent the project at local Community Seminars, bringing the community, politicians, parents, young people and local residents together to help consolidate links and discuss local issues. Each programme ends with an award ceremony, at which participants show a sense of pride in their role as Peer Mentors.

Mind Camden (London)

Mind Camden provides a variety of services for people who have experienced serious mental illness in the London Borough of Camden.

In 2010, a three year grant totalling £90,000 was awarded towards the London Hearing Voices Project, to support the establishment of the first Hearing Voices Network Groups in three London prisons. Based on a successful pilot, the project supports adults who hear voices, see visions or have other unusual sensory perceptions arising from mental health disorders. The pilot created a self-sustaining network of groups of people serving over 300 group members and the funding request was to replicate this successful model within prisons and secure units in the London area. The project works closely with prison staff, voluntary and statutory agencies to share good practice and training.

Offender data shows that hearing voices is associated with 20% of self-inflicted deaths in prisons. The project aims to reduce the risk of suicide or self harm, increase self esteem and help prisoners feel less controlled by their voices, allowing them to move on with their lives both within the prison and post release.

Grant Highlights from 2010

LGBT Centre for Health and Wellbeing (Scotland)

The LGBT Centre for Health and Wellbeing, based in Edinburgh, was set up to promote health, safety and wellbeing among lesbian, gay, bi-sexual and transgender people aged over 16 living in and around Edinburgh and South Scotland. There are very few other organisations in the area supporting this population. The Centre run workshops, courses, community groups and drop in evenings.

A grant totalling £56,200 was made in 2009 towards three years' running costs of a befriending project for older LGBT people. The project uses volunteer befrienders to provide support, advocacy and information to older people many of whom live isolated lives sometimes due to prejudice and active hate crime. Many of this group grew up in a society where their inclinations were socially unacceptable or illegal, which might lead to mental health problems. Project outcomes include reduced social isolation, improved wellbeing and resilience and giving people the knowledge, support and confidence to plan for the future and advocate for themselves.



Them Wifies (Newcastle)

Them Wifies, a community arts organisation based in Newcastle, uses drama & arts as an effective tool for engaging women in an important range of health issues. They focus on women who are disadvantaged by their social, health and economic circumstances. A three year grant totalling £42,700 was made towards the core costs of the Josephine project for women with learning disabilities.

Josephine is a life size, anatomically correct, cloth puppet. She is an interactive learning resource for women with learning disabilities, guided by a Project Worker, to explore a range of health and sexual health matters. She can be used to discuss sensitive issues like sex, sexual rights or health issues like pregnancy, the menopause and breast cancer. For example Josephine has a removable breast with a lump and her internal organs can be

revealed for the women to examine. Over 250 women on Tyneside benefit from Josephine training sessions each year. The charity works in partnership with other voluntary organisations on Tyneside that support women with learning disabilities.

The Project Worker is guided by the Josephine Dream Team, a group of women with learning disabilities who meet regularly with her to discuss ideas for questions to be addressed by Josephine. They advise on the presentation and give feedback. A couple of the volunteers help out in the delivery of Josephine training sessions. Them Wifies believes that this approach has helped to promote more user involvement in local education and health services.

Review of Grantmaking

HENRY SMITH CHARITY APPROACH

The Charity's Objects

The Henry Smith Charity (registered charity number 230102) originates from land given during the lifetime of Henry Smith, and a bequest upon his death in 1628 for the relief of his poor kindred and persons enslaved by Barbary pirates. The Charity's objects (set out in full on page 27) have been widened over its history and now cover the relief of the poor kindred of Henry Smith; relief of poor, aged or sick people; relief, rehabilitation and training of disabled people; medical research; promotion of moral welfare or social service; support of hospitals, hospices and other forms of medical assistance; and relief and rehabilitation of persons who have been enslaved.

Objectives

The Charity aims to fulfil its objects by providing a sustainable and growing grant-making programme, supporting both now and in the future a wide variety of projects and charities, where there is a compelling need and effective work to meet that need.

Strategies

Over 80% of grant-making expenditure is made through the Charity's main grants programme, which makes grants of £10,000 and above to charitable organisations throughout the UK. The remainder of our grant-making is through other programmes as set out below.

Public benefit

The diversity of our grant-making is reflected in the diversity of public benefit achieved by the hundreds of charities which we support each year as they work to alleviate need and distress, seek to release human potential, and help people lead more fulfilling lives. Our medical research grants support projects which seek to identify improvements in treatment and care as well as find new cures. Further direct benefit is provided to the poor kindred and clergy to whom we make grants to alleviate poverty and need. The Trustees have had regard to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities, setting grant-making policies and in making grants.

THE MAIN GRANTS PROGRAMME

The Charity's policy on grant-making is to be primarily reactive and pragmatic, with the aim of selecting the best projects from applications received. The varying mix of applications therefore directs our funding pattern. Most of the grants are for staff costs or core funding.

Process

The Trustees prefer to make decisions based on judgements about the quality and dedication of the applicant's key people, informed by face to face meetings, as well as the application and the work itself.

The Charity's grants staff assess grant applications, taking into account key factors such as the extent of the need, evidence of effectiveness and capacity to deliver. Summary assessments with recommendations are sent to the Charity's two Distribution Committees, whose members decide which applicants should go forward for further assessment.

In most cases a volunteer Visitor meets key individuals from an applicant, to see the work in action and to explore any critical issues or risks. Each Visitor compiles a report with a recommendation for one of the two Distribution Committees, which meet quarterly to decide which applicants to fund.

Review of Grantmaking

Funding

The Charity's investment portfolio is managed with the aim of providing sustainable, growing returns, so that grant-making can keep pace with inflation over the long term. Over the last five years our grant-making has increased by an average 2% p.a.

Measuring impact and public benefit

Most of the Charity's grant-making is reactive and is not measured against generic sets of objectives but against what individual charities are seeking to achieve. In most cases, Henry Smith is only one part of a funding mosaic and cannot therefore take sole credit for the outcomes which charities achieve.

The Trustees view impact in many ways, most fundamentally in work which changes people's lives for the better and helps them to realise their potential as individuals and as citizens. This is where public benefit is most directly achieved.

At an organisational level, our grants can enable fragile organisations working in difficult environments to take root and grow; or support unpopular or inconspicuous work which is unlikely to attract continuous public funding or private donations; or enable new buildings or facilities to be commissioned which achieve lasting usefulness and value. Additionally, the reputation of the Charity may encourage other Trusts and Foundations to contribute.

Relationships

The Charity values its interaction with those it funds, and although it is rarely practicable to have more than a "light touch" relationship, some relationships strengthen as we support applicants through different phases of development. In turn, we often learn much about particular sectors and areas, and the impact of our funding.

The Charity maintains close working relationships with other major Trusts and Foundations, which facilitates informal exchanges of knowledge as well as occasional collaboration in funding.

OTHER GRANT-MAKING

Small Grants

The Charity maintains a small grants programme for one off grants of up to £10,000, or grants of up to £20,000 over two or three years. Some of these programmes are administered by individual Trustees, who recommend the award of grants for work in particular counties with which Henry Smith had historic links.

Major Grants

From time to time, the Charity undertakes strategic initiatives through major grants funding programmes. These are targeted at particular regions or themes in order to maximise the impact of our funding, and have distinct objectives. The Trustees normally commission independent evaluations to assess the impact of the initiatives as a whole as well as the individual projects within them.

Poor Kindred

Distributions are made to the poor kindred of Henry Smith based on an assessment of individual need. Grants are awarded throughout the year, at the discretion of the Poor Kindred Committee. The grants are for the relief of poverty (especially those with low retirement incomes) and to fund training and education.

A provision has been made for the future commitments of quarterly payments to retired kindred currently in receipt of grants. A review of the net present value of future commitments is carried out each year and the provision adjusted accordingly.

Review of Grantmaking

Poor Clergy Fund

Grants to needy clergy of the Church of England are awarded on the recommendation of Diocesan Bishops on a case by case basis throughout the year. The grants help clergy families to take a break and fund emergency or exceptional costs which cannot be afforded from family incomes. Many of the clergy assisted by our grants work in particularly tough and demanding parishes. The Trustees also award grants to organisations for the furtherance or promotion of knowledge and religion. Grants are awarded throughout the year, at the discretion of the Poor Clergy Committee.

Estates Fund

Grants are made annually to specific parishes for which the fund was originally set up to relieve poverty and need. The grants are administered locally and are generally used to provide financial assistance to particularly needy individuals within the local community. The Distribution Committees set the grant-making policy and agree the level of grants for individual parishes.

Holiday Grants

Grants are awarded to organisations who provide holidays for disadvantaged and disabled children to the age of 13. Grants are awarded throughout the year, at the discretion of the Director.

Review of Grantmaking

A SUMMARY OF 2010

The Trustees awarded grants of £25.9m, an increase of £2.8m from 2009. The budget available from the investment distribution was significantly higher than 2009, and in light of a growing number of applications the Trustees also decided to spend £0.8m of unrestricted funds.

Administration costs were approximately 3.5% of grants awarded.

Grant-Making Expenditure	2010	2009
	£m	£m
Main Grant Programme (grants above £10k)	21.7	19.4
Small Grants (up to and including £10k)	1.7	1.6
Major Grant – Northern Ireland Pilot	0.4	-
Major Grant – Domestic Violence Advocacy	-	0.2
Grants to Poor Kindred	0.5	0.5
Grants to Needy Clergy	0.5	0.6
Grants for Christian projects	0.5	0.2
Grants to Historic Parishes (Estates Fund distributions)	0.5	0.5
Holiday Grants	0.1	0.1
Total Grant Awards	25.9	23.1
Less: grants cancelled or returned	(0.4)	(0.9)
Add: grant administration costs	0.9	0.9
Total Grant-Making Expenditure	26.4	23.1

A REVIEW OF THE MAIN GRANTS PROGRAMME

	2010	2009
Number of applications received that met guidelines	1,583	1,357
Number of grants awarded	330	278
Ratio of awards made to applications received	1 to 4.8	1 to 4.9
Number of capital grant awards	23	22
Number of revenue grant awards	307	256
Average size of capital grant awards	£57,000	£59,000
Average size of revenue grant awards (total award over grant term)	£65,000	£70,000

Review of Grantmaking

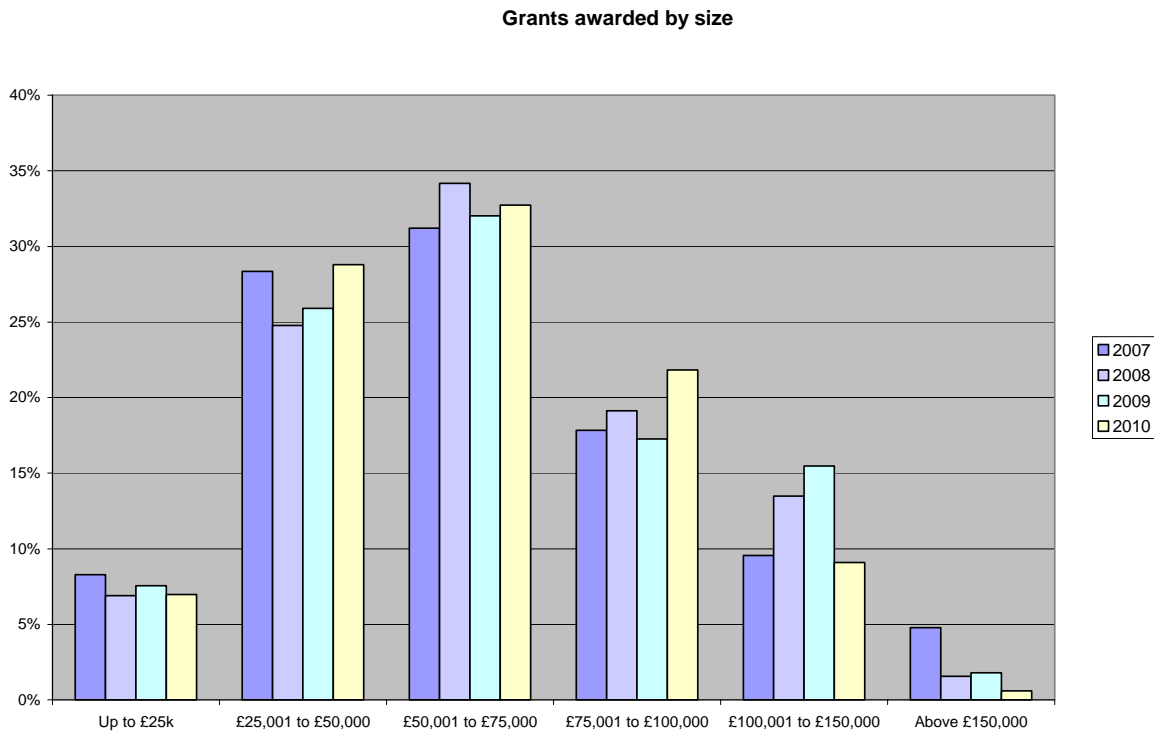
The number of applications to our main grants programme increased by 17% in 2010, reversing a sharp fall in 2009.

The number of grants awarded was almost 20% higher than 2009, with most of the grants awarded for three years funding of revenue costs; as in previous years we dealt with around five applications for every award we made.

Around 26% by number of the awards were given as continuation funding, following the completion of previous awards.

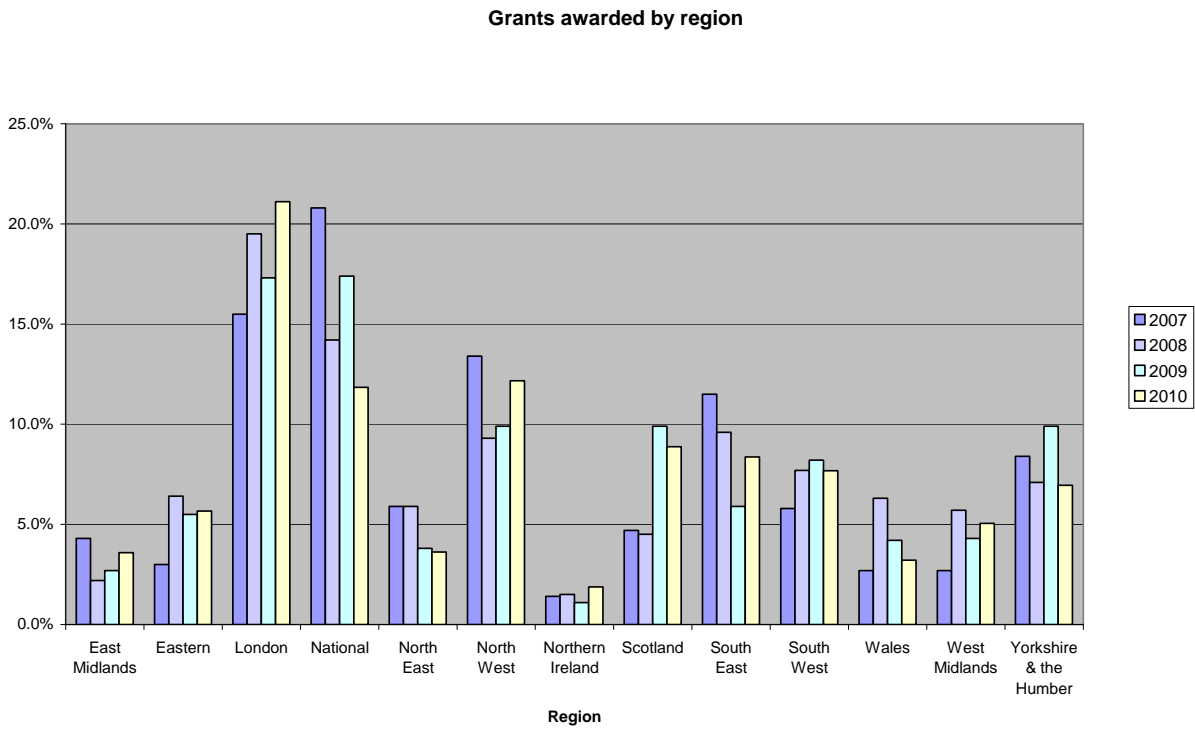
Size of Awards

The average size of grant awards was slightly smaller than previous years. Grants of between £50,000 and £70,000 are still most typical, but there was a significant decrease in the number of grants over £100,000.



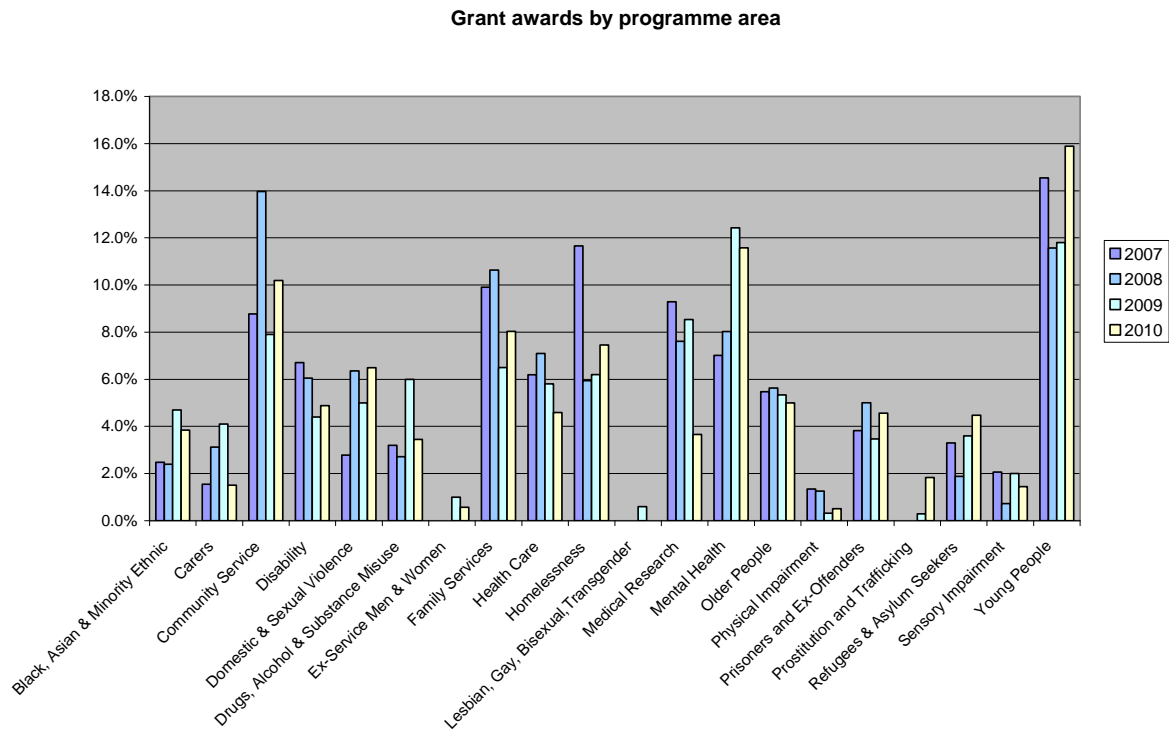
Review of Grantmaking

Total grants awarded by region



The largest amounts of grant funding continue to be made for work in London, however as we do not target particular regions the mix of funding varies significantly year by year.

Total grants awarded by programme area



Review of Grantmaking

As we do not target particular programme areas, the mix of our funding varies significantly year by year. Funding towards Young People increased significantly and was the area of highest funding in 2010, whilst Medical Research funding fell sharply. Community Service, Mental Health and Young People continue to be the programme areas receiving the highest levels of funding.

MAJOR GRANTS

The autumn of 2010 saw the completion of two Major Grants – one in East Lancashire, and the other in the field of Domestic Violence, which supported four London based charities delivering IDVA (Independent Domestic Violence Advocate) work in four different settings. The domestic violence Major Grant was funded jointly with Trust for London and was formally evaluated by the Child and Woman Abuse Studies Unit at London Metropolitan University. The full report “Islands in the Stream” was launched before Christmas and is available on our website. This was followed up with a Round Table Discussion in the spring of 2011 reflecting on outcomes of the evaluation.

The autumn of 2010 saw a gathering of the East Lancashire grant recipients to reflect on the findings of the three year grant programme. It was a positive meeting, and was followed up by a workshop in April 2011 to look at fundraising needs and skills to help support future sustainability of the projects and organisations.

WORKING IN PARTNERSHIP

We continue to work with Inspiring Scotland as one of a portfolio of funders focusing on work with twenty two Ventures delivering support to young people aged 14 to 19 years old across Scotland not in education, training or employment.

We are also continuing our joint work in Northern Ireland with the Esmee Fairbairn Foundation; together we are seeking to help build a strong and independent N.I. voluntary and community sector and help shape a more cohesive and resilient civil society by enabling outstanding leaders of third sector organisations to broaden their impact within and beyond the third sector. Five new grants were made in 2010 making a total of eleven in the portfolio. A third and final round of applications was considered early in 2011.

SOCIAL INVESTMENTS

During 2010 the Charity invested a small proportion of its assets in social investments, where there were particular opportunities to provide an effective alternative to grant funding. An investment of £0.5m was made in Venturesome’s Development Programme, to fund loans to charities over the next 5 years, and a commitment of £0.5m was made to the Social Impact Partnership, set up by Social Finance to fund work with ex-offenders in Peterborough.

LOOKING FORWARD

The Trustees have agreed a total grants budget of £27.8m in 2011, almost £2m higher than the total awarded in 2010.

Review of Investments

OUR INVESTMENT APPROACH

The Henry Smith Charity is a permanent endowment. We hold investment assets in perpetuity, with the aim of maintaining the real value of our endowment over the long term whilst providing sufficient returns to sustain our current and future grant-making.

The Charity has power under its Scheme to invest in stocks, shares, funds, securities and other property as the Trustees think fit, and have appointed professional investment advisors, who in particular advise on investment policy and strategy, asset allocation and the performance of managers.

Asset allocation and strategy

The Charity carries out a detailed review of asset allocation every three years, with an annual update. A detailed review was carried out in early 2010 with changes implemented across the first half of the year. The main change was the introduction of three classifications for asset types, which describe their intended role in the investment portfolio: growth assets, inflation protection and deflation protection.

The Trustees agreed to allocate 70% of the portfolio to growth assets, to provide longer term returns. The remaining allocation was split into equal weightings of inflation and deflation protection assets.

In early 2011 the asset allocation was reviewed; no substantial changes were made, although the Trustees agreed to switch a modest amount of bonds from passive to active management in light of increased sovereign bond risks.

Total Return approach to distribution

The Charity operates a Total Return approach to investments, with freedom to spend income and/or capital from the “unapplied total return”; which is the part of the Charity’s funds in excess of the level of the core endowment stipulated by the Trustees. This enables investment in a broad range of assets without the limitation of having to achieve a particular level of income. The Trustees aim each year to spend on grant making and operations an average of 4% (subject to regular review) of the total value (on a trailing 21 quarter average) of the investment portfolio.

Over the long term this aims to enable sufficient returns to be retained in order to maintain the real value of the assets. The Trustees review the distribution rate in tandem with its investment reviews and adjust the rate from time to time as necessary. In 2010 the Charity made distributions calculated at the 4% rate.

Investment policy

The Henry Smith Charity’s investment portfolio has the primary long term investment objective of maximising sustainable spending from the portfolio in order to support grant-making. The secondary long term objective is to maintain the real value of the fund in perpetuity after spending. The Charity aims to spend 4% of the portfolio in grant-making, this means that over time the portfolio has a goal of returning an annual 4% real return over a business cycle (3-5 years).

It is recognized that in order to achieve the primary objective of sustaining a 4% spending objective over the long term, there will be periods of short term volatility of investment returns. The investment strategy pursued seeks to build a diversified portfolio that minimises the impact of short term losses. Given the portfolio’s strategic asset allocation and investment strategy it is understood that potential short term losses are possible (in the order of losses up to 10-15% within a year, during a normal market cycle).

The Charity also recognises that there are several other forms of risk beyond short term volatility that need to be managed as part of the ongoing oversight monitoring process of the portfolio. These risks include the careful management of liquidity (which is monitored quarterly at the total portfolio level), the level of exposure to non-Sterling denominated assets (which is managed through a passive currency overlay programme), the level of overall leverage in the portfolio (there is no leverage at portfolio level and manager-level leverage is carefully reviewed and monitored) and the risks associated with investing alongside non long-term minded investors (the Charity explicitly avoids investing in managers with unstable capital bases).

Review of Investments

Investment returns for 2010

Investment returns were approximately £70m with strong returns across our equity-based and property assets. Including the currency hedging overlay, total portfolio performance for 2010 was 1.6% ahead of our long term benchmark of RPI + 4%, though performance considerably lags this benchmark on a 3 year basis. The value of total investments rose from £667m to £712m.

	2010 Returns*	Benchmark Returns*	Performance v Benchmark
Global Equity	11.3%	10.3% (blended benchmark)	+1.0%
Emerging Markets	22.5%	22.9% (MSCI EM Index)	-0.4%
Hedge Funds	10.8%	8.6% (HFRI FoF Index)	+2.2%
Private Equity	13.4%	15.3% (MSCI World Index)	-1.9%
Commercial Property	16.5%	14.5% (IPD UK Index)	+2.0%
Agricultural Property	7.3%	9.0% (IPD UK Rural Property Index)	-1.7%
Inflation-Linked Bonds	5.2%	5.6% (BC Infl-Linked WBI)	-0.4%
Other Inflation Hedges	14.6%	14.6% (custom benchmark)	-
Global Fixed income	4.4%	3.6% (Citigroup WGBI)	+0.8%
Total Portfolio	11.4%	11.6% (blended benchmark)	-0.2%

* - excluding the currency hedging overlay. All returns are shown net of fees.

Investment changes

During 2010 we switched our developed market equity investment from active managers, including UK and global managers, into a global equity tracker. This will enable us to monitor our remaining active investments more effectively by reducing the spread of active manager risk.

We continued to build our private equity portfolio, with over £12.5m of capital invested during the year. The investment portfolio breakdown by asset class at year end was as follows:

	31 December 2010	31 December 2009
Global Equities	34%	38%
Emerging Markets	10%	7%
Hedge Funds	17%	16%
Private Equity (partially invested)	3%	2%
Commercial Property	8%	9%
Agricultural Property	8%	8%
Inflation-Linked Bonds	3%	3%
Other Inflation Hedges	5%	2%
Global Fixed Income	10%	11%
Cash	2%	4%

Investment costs

£8.6m (2009: £9.7m) was spent on managing our investments, a decrease of 11% mainly due to reductions in performance-related fees.

Our investments in alternative assets are more expensive than traditional long-only investment, but we have enjoyed better investment returns which have substantially outweighed the additional fee costs. As we aim to get good value from our managers, all investment performance is monitored net of fees.

Financial Review

A REVIEW OF 2010

The movement in total funds was as follows:

	2010
	£m
Income	14
Investment gains less management costs	60
Charitable expenditure	(27)
Net movement in funds	47
Funds at beginning of year	654
Funds at end of year	701
<i>Movement in funds</i>	<i>+7%</i>

“Core Endowment”

Under the Total Return approach, the Charity monitors the value of endowment funds compared to the Core Endowment. This is fixed at £276m, representing the value of the endowment as at 31 December 1991; for internal purposes the value of endowment funds is also compared to an inflation-adjusted measure of the Core Endowment.

At 31 December 2010, the endowment funds of £694m were substantially in excess of the Core Endowment.

Reserves

The Charity funds expenditure from investments, and has the freedom to spend both income and capital, provided the core endowment of the fund is maintained. In order to manage fluctuations in cash flow, the Trustees have set a target cash reserve of three months forward expenditure (currently £7.0m), with a minimum cash balance of £5m. At the year end, adjusting for investment transactions in process, cash balances were within the target range.

The Trustees review reserves annually, and are satisfied that the Charity is in a position to meet all its current and anticipated future commitments.

Risk Control

The Trustees have reviewed the areas of potential risk for the Charity and concluded that there are sufficient controls in place across the organisation. One of the key risks identified is that of substantial investment losses; the Charity has a diversified investment portfolio and processes in place to monitor cash flow and spending, which should minimise the potential for long term losses. Another key risk is business continuity in the event of a disaster; a policy and action plan have been adopted to ensure adequate control of this risk.

The Trustees review risk on an annual basis and/or when issues arise, and where appropriate take advice from the auditors. The Trustees met the auditors during the year to discuss their recommendations arising from their audit, which were adopted.

Organisational Review

Trustees

The Charity's governing document is the Charity Commission Scheme of 2000. This requires the Charity to have between ten and twenty Trustees. Trustees retire upon reaching the age of 75. The list of current Trustees is set out on page 28.

New Trustees are appointed on the nomination of the Archbishop of Canterbury, following a recommendation from the Trustees which is made in the light of the Charity's needs and following interview. Their induction includes meeting the office staff, being briefed on procedures, and addressing any training needs they may have.

New Trustees serve up to two terms of five years each, with provision in exceptional cases for a third term of up to five years.

Most of our Trustees have a wide experience of the sector, as many are involved in other charities, and a number of Trustees administer the Henry Smith Charity small grants programme for their home counties.

Committee Structure

The Board is responsible for all major policy decisions and for approving strategy and objectives, meeting four times a year. Significant decision making authority is also delegated to a number of separate Committees, as set out on page 28.

Visitors

The Charity has a network of volunteer Visitors around the UK who visit, assess and report on charities and projects within their region. They make a crucial contribution to the work of the Charity, giving us the capacity to visit many charities and make judgements based on how things look on the ground. We have over thirty active visitors.

New Visitors receive induction training in the office and are initially accompanied on visits. For all Visitors we run training seminars, which enable us to discuss training and support needs and policy issues in greater depth.

Staffing

A schedule of delegations is in place setting out the terms under which decisions are made across the organisation; Trustees are responsible for approving all grants, with the exception of holiday grants, but day to day grants management is the responsibility of the staff team, led by the Director.

We employ 20 full time and part time staff, some of whom are involved in the administration of other charities.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual 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's financial activities during the year and of its financial position as at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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 required to follow the accounts direction issued by the Secretary of State, and are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2006, 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.

The Trustees have a responsibility to ensure that the entity's system of internal control complies with the obligations placed on the entity by the relevant Secretary of State.

The Trustees confirm that the accounts comply with the Statement of Recommended Practice 2005 (Accounting and Reporting by Charities) and the Charities Act and are in accordance with the Charity Commission Scheme governing the charity.

Approved by the Trustees on 20 July 2011

J. D. Hambro
Chairman

Independent Auditors' Report to the Trustees of The Henry Smith Charity

We have audited the financial statements of The Henry Smith Charity for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's Trustees as a body in accordance with Regulation 24 of The Charities (Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2010, and of its incoming resources and application of resources and cash flows, 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 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, London
20 July 2010

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

Statement of Financial Activities for the Year Ended 31 December 2010

	Main Unrestricted Fund £'000	Estates Restricted Fund £'000	Main Endowment Fund £'000	Estates Endowment Fund £'000	2010 Total £'000	2009 Total £'000
INCOMING RESOURCES						
Investment income (note 2)	-	-	13,631	312	13,943	14,512
Deposit interest	130	3	-	-	133	193
Other income	-	-	184	4	188	217
TOTAL INCOMING RESOURCES	130	3	13,815	316	14,264	14,922
RESOURCES EXPENDED						
Costs of generating funds (note 3)	-	-	8,381	180	8,561	9,656
Charitable Activities						
Grant-making (notes 3 and 4)	25,876	470	-	-	26,346	23,157
Provision for Retired Kindred (note 3)	415	-	-	-	415	3,900
Total Charitable Activities	26,291	470	-	-	26,761	27,057
Governance costs (note 3)	99	-	-	-	99	112
TOTAL RESOURCES EXPENDED	26,390	470	8,381	180	35,421	36,825
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR BEFORE TRANSFERS						
	(26,260)	(467)	5,434	136	(21,157)	(21,903)
Transfers between funds (note 6)	26,755	545	(26,755)	(545)	-	-
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR BEFORE OTHER RECOGNISED GAINS & LOSSES						
	495	78	(21,321)	(409)	(21,157)	(21,903)
Gains on investment assets (note 8)	-	-	66,664	1,524	68,188	94,209
NET MOVEMENT IN FUNDS	495	78	45,343	1,115	47,031	72,306
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2010						
	6,862	101	633,107	14,373	654,443	582,137
TOTAL FUNDS AT 31 DECEMBER 2010	7,357	179	678,450	15,488	701,474	654,443

The notes on pages 21 to 26 form part of these accounts.

All incoming resources and resources expended derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year and there is no difference between the results for the year stated above and their historical cost equivalents.

Balance Sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Tangible Fixed Assets	7	150	183
Investments	8	712,221	667,224
Programme Related Investments	9	572	-
Total Fixed Assets		712,943	667,407
CURRENT ASSETS			
Debtors	10	2,357	2,281
Cash at Bank		17,217	20,044
		19,574	22,325
CREDITORS			
Amounts falling due within one year	11	(20,496)	(26,016)
NET CURRENT LIABILITIES		(922)	(3,691)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		712,021	663,716
CREDITORS			
Amounts falling due after one year	12	(10,547)	(9,273)
NET ASSETS		701,474	654,443
FUNDS			
Main Endowment Fund		678,450	633,107
Estates Endowment Fund		15,488	14,373
Main Unrestricted Fund		7,357	6,862
Estates Restricted Fund		179	101
		701,474	654,443
Total Funds	14	701,474	654,443

Approved by the Trustees on 20 July 2011 and signed on their behalf by:

J.D. Hambro
Chairman

N.A.B. Acland
Trustee

The notes on pages 21 to 26 form part of these accounts.

Cash Flow Statement for the Year Ended 31 December 2010

	Note	2010 £'000	2009 £'000
Net outgoing resources		(21,157)	(21,903)
Adjustments to exclude investment income and non-cash items (a)		(20,000)	8,730
Net cash outflow from operating activities		(41,157)	(13,173)
Investment income		13,921	15,373
Net cash inflow from investment income		13,921	15,373
Capital expenditure and financial investment			
Purchase of tangible fixed assets	7	(8)	(12)
Disposal of tangible fixed assets	7	8	-
Purchase of fixed asset investments	8	(202,745)	(107,261)
Proceeds from sale of fixed asset investments	8	232,229	119,534
Purchase of social investments	9	(572)	-
Net cash inflow from investing activities		28,912	12,261
Management of liquid resources			
Decrease/(increase) in cash and short term deposits (investment assets)		(4,503)	(783)
Net cash inflow/(outflow) from liquid resources		(4,503)	(783)
(Decrease)/increase in cash (b)		(2,827)	13,678
(a) Adjustments to exclude investment income and non-cash items			
Investment income and deposit interest		(14,076)	(14,705)
Depreciation	7	33	41
Decrease in debtors	10	79	93
(Decrease)/Increase in creditors	11&12	(4,246)	1,741
Investment fees deducted through units	8	5,874	2,626
Investment (losses)/gains realised as cash		(7,664)	18,934
Total adjustments to exclude investment income and non cash-items		(20,000)	8,730
(b) Decrease in cash and short-term deposits			
Cash and short-term deposits at 1 Jan 2010		20,044	6,366
(Decrease)/increase in cash		(2,827)	13,678
Cash and short-term deposits at 31 December 2010		17,217	20,044

The notes on pages 21 to 26 form part of these accounts.

Notes to the Accounts

1. ACCOUNTING POLICIES

Basis of Preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed asset investments, and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting and Reporting by Charities, revised 2005 and the Charities Act 1993.

Funds

The Charity's Funds include two permanent endowments. The Main Endowment Fund may be used to support all the Charity's objects. The Estates Endowment Fund may only be used to support charitable activities in specified, historic parishes in England. The assets of both funds are pooled and managed as a single investment portfolio; investment returns are allocated in proportion to the Funds' asset values.

Incoming resources

Incoming resources are recognised when the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. Dividends are recognised as receivable when a security is listed as ex-dividend. Other income includes fees for administration services provided to the Trusthouse Charitable Foundation and Equitable Charitable Trust.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Charity to the expenditure. Grants, both single and multi-year, are recognised in the accounts as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled within the control of the Charity. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

Cost of generating funds

The cost of generating funds includes the direct costs paid to service providers for managing the investment assets, the direct costs of generating funds including staff salaries and other expenditure, and an allocation of related support costs.

Charitable activities

The cost of charitable activities consists of grants awarded, the direct costs of grant making activities including staff salaries and other expenditure, and an allocation of related support costs.

Governance costs

The cost of governance consists of statutory audit and legal fees, Trustees' expenses and costs relating to the public accountability of the Charity and its compliance with regulation and good practice, the direct costs of governance including staff salaries and other expenditure, and an allocation of related support costs.

Investments

Marketable investment assets are included in the financial statements at market value; either at closing market prices (listed investments) or through independent valuation (unlisted direct property) or from valuations provided by the investment manager (unlisted hedge funds and indirect property). Unlisted non-marketable investments (private equity) are included at market value using valuations provided by the investment manager. The Charity enters into forward currency contracts to reduce currency exposure in its investment portfolio. The basis of fair value of these forward exchange contracts is estimated by using the gain or loss that would arise from closing the contract at the balance sheet date. All investment and currency gains and losses are recognised as incurred.

Pensions

The Charity operates a defined contribution scheme; contributions are charged on an accruals basis.

Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities within the expenditure to which it relates.

Notes to the Accounts

Fixed assets

Leasehold improvements are included at cost and depreciated on a straight-line basis over the remaining term of occupation of the Charity's premises.

Fixtures, fittings and equipment are included at cost and depreciated on a straight-line basis over 4 years. Assets below £1,000 in cost are not capitalised.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Operating leases

Costs of operating leases are charged to the SOFA on a straight-line basis over the lease term.

2. INVESTMENT INCOME

	2010 £'000	2009 £'000
Equities	6,379	6,169
Fixed Income	1,927	2,350
Property	5,637	5,993
	<u>13,943</u>	<u>14,512</u>

3. EXPENDITURE

	Costs of Generating Funds £'000	Grant- making £'000	Governance £'000	Total 2010 £'000	Total 2009 £'000
Grants awarded (note 4)	-	25,481	-	25,481	22,252
Provision for retired Kindred	-	415	-	415	3,900
Direct costs					
Listed investments management	1,556	-	-	1,556	2,318
Alternative investments management	5,804	-	-	5,804	5,656
Property expenses	691	-	-	691	1,185
Investment advice	164	-	-	164	155
Staff costs (note 5)	215	404	34	653	712
Auditors' remuneration	-	-	29	29	30
Trustees' expenses	-	-	2	2	3
Other costs	-	58	13	71	102
	<u>8,430</u>	<u>26,358</u>	<u>78</u>	<u>34,866</u>	<u>36,313</u>
Support costs					
Staff costs (note 5)	23	174	10	207	184
Premises and office services	89	189	9	287	268
IT services	11	23	1	35	34
HR services	8	17	1	26	26
	<u>131</u>	<u>403</u>	<u>21</u>	<u>555</u>	<u>512</u>
Total expenditure	<u>8,561</u>	<u>26,761</u>	<u>99</u>	<u>35,421</u>	<u>36,825</u>

Notes to the Accounts

4. GRANTS AWARDED

	2010 £'000	2009 £'000
Grants to organisations		
Main Grants	21,656	19,371
Small Grants	1,708	1,631
Major Grants	447	210
Holiday Grants	151	94
Grants for the promotion of religion and knowledge	460	222
Estates Fund distributions	468	520
	24,890	22,048
Grants to individuals		
Grants to Clergy	518	605
Grants to Poor Kindred	520	502
	1,038	1,107
Grants returned or cancelled	(447)	(903)
Total Grants Awarded	25,481	22,252

Further analysis of our main grant awards is given in the Trustees' Report and a full grants listing is available on our website. This information has not been audited.

5. STAFF COSTS

	2010 £'000	2009 £'000
Wages and salaries costs	694	728
Social Security costs	77	77
Pension costs	79	72
Other benefits	9	16
Temporary staff	1	3
	860	896

The average number of employees calculated on a full-time basis

Generating Funds	4.5	4.5
Grantmaking	12.5	13.5
Governance	0.5	0.5
Total	17.5	18.5

The number of employees with emoluments greater than £60,000

£80,000-£90,000	1	1
£70,000-£80,000	2	2

Notes to the Accounts

5. STAFF COSTS (CONTINUED)

Pension contributions for employees with emoluments greater than £60,000 amounted to £25,213 (2009: £25,652). No pension contributions were outstanding at the year end.

6. FUND TRANSFERS

The Charity operates a Total Return approach to investments, with freedom to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year.

The Trustees decide each year how much of the unapplied total return is transferred from endowment to income funds and so made available for expenditure. In 2010, the Trustees transferred £27.3 million, being equal to 4.0% of the total value (on a trailing average) of the endowment at 31 December 2009. The overall movement in unapplied total return was as follows:

	2010 £'000
Unapplied total return at 1 January 2010	371,480
Add: Income received	14,131
Investment gains	68,188
Less: Costs of generating funds	<u>(8,561)</u>
Unapplied total return before transfer to income	445,238
Less: transfer to income	<u>(27,300)</u>
Unapplied total return at 31 December 2010	<u>471,938</u>

7. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost at 1 January 2010	70	216	286
Additions	8	-	8
Disposals	(8)	-	(8)
Cost at 31 December 2010	<u>70</u>	<u>216</u>	<u>286</u>
Accumulated depreciation at 1 January 2010	40	63	103
Depreciation charged in the year	17	22	39
Depreciation released on disposals	(6)	-	(6)
Accumulated depreciation at 31 December 2010	<u>51</u>	<u>85</u>	<u>136</u>
Net Book Value at 31 December 2010	<u>19</u>	<u>131</u>	<u>150</u>
Net Book Value at 31 December 2009	<u>30</u>	<u>153</u>	<u>183</u>

Notes to the Accounts

8. INVESTMENTS

	Market Value 1.1.10 £'000	Acquisitions at cost £'000	Disposals at proceeds £'000	Investment gain/(loss) £'000	Fees deducted* £'000	Market Value 31.12.10 £'000
Equities (L)	309,416	153,131	(187,788)	38,597	(487)	312,869
Fixed Interest (L)	71,799	5,000	(18,935)	1,176	(289)	58,751
Property (U)	115,895	340	(9,360)	12,272	-	119,147
Inflation Hedges (L)	33,860	17,000	-	6,843	(333)	57,370
Hedge Funds (U)	105,954	14,589	(13,782)	12,235	(3,358)	115,638
Private Equity (U)	15,414	12,685	(2,364)	4,729	(1,407)	29,057
	<u>652,338</u>	<u>202,745</u>	<u>(232,229)</u>	<u>75,852</u>	<u>(5,874)</u>	<u>692,832</u>
Cash and other balances	14,886					19,389
Total investments	<u>667,224</u>					<u>712,221</u>

* - relates only to fees deducted from the market value of the investments, not fees paid from cash.

Total investment gains were made up as follows:

	2010 £'000	2009 £'000
Gains on investment assets (see above)	75,852	75,275
Gains on foreign currency cash balances	127	3,158
Losses on forward contracts for currency hedging	(7,791)	15,776
Investment gains	<u>68,188</u>	<u>94,209</u>

The market value of listed investments at the year end was £447m (2009: £415m). None of these were UK-only investments (2009: £70m). The historical cost of listed investments was £360m (2009: £456m). NB: (L) – listed investments, (U) – unlisted investments.

The Charity has committed, where contractual terms are made, to undertake a further \$75m of fixed asset investment acquisitions in private equity funds in the coming four years. These investments will be funded primarily from the Charity's equity investments.

9. PROGRAMME RELATED INVESTMENTS

During the year we invested £0.5m in Venturesome's Development Programme. This money will be used to fund loans to charities over the next 5 years. At 31 December £15,000 had been committed to loans, with no impairment of value.

During the year we made a commitment of £0.5m towards the Social Impact Partnership, set up by Social Finance to fund work with ex-offenders in Peterborough. A total of £72,000 was called up during the year to fund operating expenses. There is potential for funders to be repaid their investment, with some additional return depending on performance in reducing re-offending.

10. DEBTORS

	2010 £'000	2009 £'000
Dividends receivable	1,398	1,205
Rents receivable	586	624
Other debtors	90	210
Prepayments	283	242
	<u>2,357</u>	<u>2,281</u>

Notes to the Accounts

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Grants payable	18,914	20,032
Accruals and deferred income	1,582	5,984
	<u>20,496</u>	<u>26,016</u>

12. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £'000	2009 £'000
Grants payable	<u>10,547</u>	<u>9,273</u>

13. MATURITY OF FINANCIAL LIABILITIES

	2010 £'000	2009 £'000
In one year or less, or on demand	20,496	26,387
In more than one year, but not more than two years	6,677	5,527
In more than two years, but not more than five years	1,532	1,350
In more than five years	2,338	2,025
	<u>31,043</u>	<u>35,289</u>

14. ANALYSIS OF FUNDS

	Fixed Assets £'000	Investments £'000	Net Current Liabilities £'000	Creditors > 1 year £'000	Total £'000
Main Endowment Fund	150	697,166	(12,634)	(6,232)	678,450
Estates Endowment Fund	-	15,627	(139)	-	15,488
Main Unrestricted Fund	-	-	11,672	(4,315)	7,357
Estates Restricted Fund	-	-	179	-	179
	<u>150</u>	<u>712,793</u>	<u>(922)</u>	<u>(10,547)</u>	<u>701,474</u>

15. RELATED PARTY TRANSACTIONS

Expenses of £1,800 (2009: £2,361) were reimbursed to three Trustees during the year (2009: three) to cover travel and other related costs incurred by them in fulfilment of their duties. The Trustees received no remuneration during the year or in the previous year.

A payment of £30,000 was made during the year to Action on Addiction, of which Mr T Millington-Drake, a Trustee of The Henry Smith Charity, is Principal Consultant.

A payment of £40,000 was made during the year to C.A.A.D.A, of which Diana Barran, a Trustee of The Henry Smith Charity, is Chief Executive.

A payment of £75,000 was made during the year to St Patrick's Church, Soho, of which Miko Giedroyc, a Trustee of The Henry Smith Charity, is a member of the Finance Board and Appeal Board.

A payment of £26,400 was made during the year to Only Connect, of which Miko Giedroyc, a Trustee of The Henry Smith Charity, is an Advisor.

A payment of £25,000 was made during the year to Surrey Community Foundation, of which Mr G E Lee-Steere, a Trustee of The Henry Smith Charity until retirement in May 2011, is a Trustee.

16. OPERATING LEASE COMMITMENTS

Legal & Administrative Details

At year end the Charity held a lease for its premises expiring in November 2016. Rental payments amount to £116,000 per year.

Registered Office

65 Leadenhall Street, London, EC3A 2AD

Telephone

020 7264 4970

Website

www.henrysmithcharity.org.uk

Director

Richard Hopgood

Charity Registration

230102

Constitution

The Henry Smith Charity originated under the Will of Henry Smith who died in 1628. The constitution which governs the Charity is contained in a Scheme of the Charity Commissioners dated 5 October 2000 which came into effect on 1 January 2001.

Objects

The objects of the Main Fund of the Henry Smith Charity are as follows:-

- For the relief of the poor kindred of Henry Smith;
- For hospitals, hospices and other forms of residential care or provision of health care for those who are sick or in need and for other institutions providing medical assistance for those in financial need, provided that no part of the income shall be applied directly in relief of rates, taxes or other public funds, but may be applied in supplementing relief or assistance provided out of public funds;
- For the relief of poor, aged or sick persons and their spouses, widows, widowers and dependants;
- For the relief of poor, aged or sick members of the clergy and their spouses, widows, widowers and dependants;
- For the relief, rehabilitation and training of disabled persons including disabled ex-Servicemen and war widows;
- For any medical research;
- For the promotion of moral welfare or social service; and
- For the relief and rehabilitation of those persons who are or have been slaves or serfs and their dependants who are in need or distress or for preventing their seizure.

The objects of the Estates Fund of the Henry Smith Charity are as follows:-

- For the relief of poor, aged or infirm in specified, historic parishes;
- For the relief of poor, aged or infirm elsewhere in England and Wales;
- For the benefit of hospitals or convalescent homes in the specified, historic parishes; and
- For the benefit of hospitals or convalescent homes elsewhere in England and Wales

Legal & Administrative Details

Trustees

N A B Acland	Mrs C Godman Law	Mrs A McNair Scott
Mrs A E Allen	J D Hambro	T J Millington-Drake
Mrs D Barran	Mrs V Y Hunt (appointed Nov 2010)	M R Newton
Mrs B Biddell (appointed May 2011)	G E Lee-Steere (retired May 2011)	P W Smallridge
Lord Egremont (retired March 2011)	Ms M V Lowther	Sir Richard Thompson
Clare, Countess of Euston	N G H Manns	
Miss M J Gallyer	P Maxwell (appointed Sept 2010)	
M Giedroyc		

The Trustees meet as a Board four times a year, and operate through a number of Committees each of which is concerned with a different sphere of activity, as follows:

Two Distribution Committees are responsible for taking decisions in respect of the main grants programme, for overseeing decisions in respect of the small grants programme and for setting the budget for distributions from the Estates Fund.

The Poor Kindred Committee oversees policy and administration of grants to poor kindred.

The Poor Clergy Committee oversees policy and administration of grants to needy clergy and the award of other grants for Christian projects.

The Governance and Nominations Committee is responsible for ensuring that governance arrangements comply with requirements, are fit for purpose and in line with good practice.

The Remuneration Committee is responsible for determining the Director's and Senior Managers' remuneration.

The Investment Committee is responsible for investment policy, asset allocation and performance monitoring.

The Finance and General Purposes Committee is responsible for organisational planning, budgeting and performance monitoring, organisational policies, staff remuneration, audit and risk management.

Bankers	Bank of Scotland, 8 Lochside Avenue, Edinburgh, EH12 9DJ
Solicitors	SNR Denton LLP, One Fleet Place, London, EC4M 7WS Berwin Leighton Paisner, London Bridge, London, EC4R 9HA
Auditors	PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
Investment Advisers	Cambridge Associates, 80 Victoria Street, London, SW1E 5JL
Property Advisers	LaSalle Investment Mgt, 33 Cavendish Square, London, W1A 2NF R H & R W Clutton, 92 High Street, East Grinstead, RH19 3DF
Investment Managers	Capital International, 40 Grosvenor Place, London, SW1X 7GG City of London Investment Mgmt Ltd, 10 Eastcheap, London, EC3M 1LX Colchester Global Investors, 20 Savile Row, London, W1S 3PR Legg Mason Investments, 75 King William St, London, EC4N 7BE Payden & Rygel Global Ltd, 10 King William St, London, EC4N 7TW Northern Trust Global Investments Ltd, 50 Bank St, London, E14 5NT State Street Associates, 1 Lincoln St, Boston, USA State Street Global Advisors, 20 Churchill Place, London, E14 5HJ Wellington Management Intl Ltd, 80 Victoria St, London, SW1E 5JL

We also have a number of Hedge Fund and Private Equity managers within our dedicated portfolios.