DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales · Charity number 1026752

Details

Status	Registered
Legal form	Other
Registered	1993-10-01
Register	View on the Charity Commission register

Contact

Address	Duchy Of Lancaster 1 Lancaster Place London WC2E 7ED
Phone	02072691700
Email	info@duchyoflancaster.co.uk

Activities

Objects: TO OR FOR SUCH CHARITIES (FOR THEIR GENERAL PURPOSES OR FOR ANY SPECIAL PURPOSES IN EITHER CASE BEING QUALIFYING CHARITABLE PURPOSES) AND IN OR TOWARDS SUCH QUALIFYING CHARITABLE PURPOSES AS THE TRUSTEES SHALL FROM TIME TO TIME DETERMINE (FOR FURTHER DETAILS SEE DECLARATION OF TRUST)

Activities: To support charitable causes in the County Palatine of Lancaster, in the administrative counties of Lancashire, Greater Manchester and Merseyside, and elsewhere in the country where the Duchy of Lancaster has historical links.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Animals, Environment/conservation/heritage, Economic/community Development/employment, Recreation, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

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Geography

- **Area of benefit:** THE COUNTIES LANCASHIRE, GREAT MANCHESTER, AND MERSEYSIDE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£643,419	£592,456	£18,701,493	0
2024-03-31	£1,493,338	£1,602,757	£18,993,556	0
2023-03-31	£938,089	£1,058,816	£17,983,613	0
2022-03-31	£510,882	£620,122	£18,405,030	0
2021-03-31	£361,714	£1,116,733	-	-

Trustees

Name	Role	Appointed
Amanda Parker		2023-08-01
Diane Hawkins DLJP		2022-07-04
James William Pender Chalmers		2025-07-09
Peter Oliver OBE DL		2025-12-15
Sir Michael John Stevens GCVO		2025-10-01
Sir Thomas Alexander Crispin Leech		2025-10-01
Sonia Tolaney		2020-10-30

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DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales - Charity number 1026752

Accounts

THE DUCHY OF LANCASTER BENEVOLENT FUND

Registered Charity Number 1026752

REPORT OF THE TRUSTEES

AND ACCOUNTS FOR THE YEAR

TO 31st MARCH 2025

THE DUCHY OF LANCASTER BENEVOLENT FUND

FOR THE YEAR ENDED 31st MARCH 2025

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THE DUCHY OF LANCASTER BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Hon. Mr. Justice Timothy Fancourt (Retired 30 September 2025) Hon. Mr. Justice Leech (appointed 1 October 2025) Sonia Tolaney KC James Chalmers (appointed 9 July 2025) Sir Michael Stevens GCVO (Resigned 9 July 2025, appointed 1 October 2025) Amanda Parker JP DL Diane Hawkins JP DL Mr Mark Blundell CVO
Secretary	Hugh Bruce-Watt
Registered Office	1 Lancaster Place Strand London WC2E 7ED
Charity number	1026752
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Coutts & Co. 440 Strand London WC2R OQS
Investment managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment advisor	Stanhope Consulting 35 Portman Square London W1H 6LR
Solicitors	Farrers LLP 66 Lincoln's Inn Fields London WC2A 3LH

THE DUCHY OF LANCASTER BENEVOLENT FUND

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2025

1. Objects of the Trust

The objects of the Trust are to support charitable causes in:

- the County Palatine of Lancaster
- the administrative counties of Lancashire, Greater Manchester and Merseyside
- elsewhere in the country where the Duchy of Lancaster has historical links (such as landed interests and church livings).

Applications for grants should be addressed to the Secretary.

At the behest of the Duke of Lancaster, donations have been made from the Duchy of Lancaster to the Trust with the request that they are, for the time being, invested to provide an income to support the objects of the Trust. The Trustees have accordingly placed the donations into a separate investment fund, the Expendable Endowment Fund. There have been no one off donations in the year. In 2024 a one off additional donation of £900,000 was made to the Benevolent Fund from the Duchy of Lancaster to be used to support the Coronation Food Project in Merseyside, which was placed in a restricted fund.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objects which form the basis of this policy are given above.

2. Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objects of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

3. Achievements and performance

The Trustees have reviewed and are content that the objects of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objects.

During the year the Trust has made or made future commitments to 273 grants totalling £473,183 (2024 : 259 grants totalling £1,497,149) as set out on page 15 to 18 of the financial statements.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The aim of the charity is to distribute in the region of £500,000 annually in grants funded from the investment portfolio, whilst maintaining the capital value of the fund in real terms, after inflation and distributions. This target is below the minimum long term average total return target for the investment portfolio of CPI inflation +4% p.a. The portfolio generated £539,465 of investment income in the year and a transfer of £100,000 from the expendable endowment fund was made in order to fund expenditure on charitable activities of £592,456. This led to an increase in the Unrestricted General Fund of £50,963 and a carried forward balance of £67,031.

A grant of £100,000 has in the past been received from the Duchy of Lancaster every year towards the Expendable Endowment Fund. In 2024 a further £900,000 was received for the support of the Coronation Food Project in Merseyside which was placed in a restricted fund. The £900,000 was granted in the prior year along with the remaining £2,500 of 2023 food bank grants leaving a restricted fund balance of £nil.

4. Financial review

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Sustainable Investment Policy.

Over the year, the Trust's investment assets decreased in value by £404,581 (2.14%), being the net loss on investments of £343,026 and investment management fees of £61,555 paid out of capital per note 8.

During the year the investment income generated was £543,419 (2024 : £493,338).

5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and regularly reviewing the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the recipients of grants are known to and well understood by the Trustees who are able to assess the effectiveness that the grant making has. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the Unrestricted General Fund, whilst maintaining the real terms capital value of the investments in the Expendable Endowment Fund.

The Expendable Endowment fund had a balance of £18,634,462 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required. During the year a transfer of £100,000 was made from the Expendable Endowment Fund to the General Fund leaving it with a year end balance of £67,031 free reserves.

A restricted fund was created in 2023 year for the support of foodbanks and/or provide food to those in areas of need after receipt of a donation of £420,000 from the Duchy of Lancaster for this purpose. The Lieutenants distributed £417,500 of the £420,000 in the year to 31 March 2023 leaving a surplus balance of £2,500 which was distributed in 2024 along with another restricted donation of £900,000 received from the Duchy of Lancaster for the Coronation Food Project in Merseyside. There were no restricted funds received in the year ended 31st March 2025

7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

8. Structure, governance, management and administrative details

Governing Instrument

The Duchy of Lancaster Benevolent Fund was constituted on 29th September 1993 under a Trust Deed. The registered charity number is 1026752.

Trustees and principal officers

Trustees are appointed by the Chancellor of the Duchy of Lancaster, these were as follows:

Trustees:	Appointed	Retired
The Vice Chancellor of the County Palatine (Chairman)		
Hon. Mr. Justice Timothy Fancourt		30 September 2025
Hon. Mr. Justice Leech	1 October 2025	
The Attorney General of the Duchy of Lancaster		
Sonia Tolaney KC		
The Receiver General of the Duchy of Lancaster		
Sir Michael Stevens GCVO		9 July 2025
James Chalmers	9 July 2025	
The Lord Lieutenant of Lancashire		
Amanda Parker JP DL		
The Lord Lieutenant of Greater Manchester		
Diane Hawkins JP DL		
The Lord Lieutenant of Merseyside		
Mr Mark Blundell CVO		
Sir Michael Stevens GCVO	1 October 2025	

Secretary:

Mr Hugh Bruce-Watt

The Trustees meet twice a year and make all major (£5,000 and over) grant making and investment decisions. Decisions on making other grants are delegated to 4 local panels based in Lancashire, Greater Manchester, Merseyside and London, which each meet around four times a year. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster.

Administration

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

Advisors

Bankers: Coutts & Co.
440 Strand
London
WC2R OQS

Solicitors: Farrer & Co.
66 Lincoln's Inn Fields
London
WC2A 3LH

8. Structure, governance, management and administrative details (continued)

Auditors:	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Investment manager:	Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment manager:	Cazenove Capital 1 London Wall Place London EC2Y 5AU

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 & 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 4/11/2025 and signed on their behalf by

The Hon Mr Justice Leech
Chairman of the Trustees

THE DUCHY OF LANCASTER BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2025

Opinion

We have audited the financial statements of the Duchy of Lancaster Benevolent Fund for the year ended 31 March 2025 which comprise the Statement of Financial Position, Balance Sheet and Cash Flow Statement and notes to the financial statements, including 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 March 2025 and of its incoming resources and application of resources 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 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 Auditors' 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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.

Responsibilities of trustees

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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 10 November 2025

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2025

	Notes	Unrestricted General Fund £	Restricted Fund £	Expendable Endowment Fund £	Total 2025 £	*Total 2024 £*
Income and endowments from:						
Endowments / Donations	2	-	-	100,000	100,000	*1,000,000*
Investments	3	543,419	-	-	543,419	*493,338*
Total		543,419	-	100,000	643,419	*1,493,338*
Expenditure on:						
Raising Funds		78,228	-	-	78,228	*72,345*
Charitable activities	4	514,228	-	-	514,228	*1,530,412*
Total		592,456	-	-	592,456	*1,602,757*
Net (losses) / gains on investments	8	-	-	(343,026)	(343,026)	*1,119,362*
Net (expenditure)/income		(49,037)	-	(243,026)	(292,063)	*1,009,943*
Transfer between funds		100,000	-	(100,000)	-	-
Net movement in funds		50,963	-	(343,026)	(292,063)	*1,009,943*
Reconciliation of funds:						
Total funds brought forward		16,068	-	18,977,488	18,993,556	*17,983,613*
Total funds carried forward		67,031	-	18,634,462	18,701,493	*18,993,556*

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2024

	Notes	Unrestricted General Fund £	Restricted Fund £	Expendable Endowment Fund £	Total 2024 £
Income and endowments from:					
Endowments	2	-	900,000	100,000	1,000,000
Investments	3	493,338	-	-	493,338
Total		493,338	900,000	100,000	1,493,338
Expenditure on:					
Raising Funds		72,345	-	-	72,345
Charitable activities	4	627,912	902,500	-	1,530,412
Total		700,257	902,500	-	1,602,757
Net gains / (losses) on investments	8	-	-	1,119,362	1,119,362
Net (expenditure)/income		(206,919)	(2,500)	1,219,362	1,009,943
Transfer between funds		220,000	-	(220,000)	-
Net movement in funds		13,081	(2,500)	999,362	1,009,943
Reconciliation of funds:					
Total funds brought forward		2,987	2,500	17,978,126	17,983,613
Total funds carried forward		16,068	-	18,977,488	18,993,556

The notes on pages 11 to 14 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

BALANCE SHEET AT 31st MARCH 2025

	Notes	2025 £	*2024 £*
Fixed Assets			
Investments	7	18,466,093	*18,870,674*
Current Assets			
Debtors	9	5,546	*6,459*
Cash and deposits		271,234	206,383
		276,780	212,842
Creditors: amounts falling due within one year			
Grants and accrued expenses	11	(41,380)	*(57,960)*
Net Current Assets		235,400	*154,882*
Creditors: amounts falling due after one year			
Grants	11	-	*(32,000)*
Total Non-Current Liabilities		-	*(32,000)*
Net Assets		18,701,493	*18,993,556*
Capital Fund			
Expendable Endowment	12	18,634,462	*18,977,488*
Income Fund			
Unrestricted General Fund	12	67,031	*16,068*
Restricted Fund		-	-
		18,701,493	*18,993,556*

Approved by the Trustees on 4/11/2025 and signed on their behalf by

The Hon Mr Justice Leech
Chairman of the Trustees

The notes on pages 11 to 14 form part of these accounts.

Registered Charity Number 1026752

THE DUCHY OF LANCASTER BENEVOLENT FUND

CASH FLOW STATEMENT
FOR THE YEAR TO 31st MARCH 2025

	Notes	Total 2025 £	*Total 2024 £*
Cash outflow from operating activities	14	(478,568)	(489,721)
Cash flows from investing activities			
Dividends and interest		539,465	*488,741*
Bank interest		3,954	*4,597*
Sale of investments		-	-
Purchase of investments		-	-
Net cash inflow from investing activities		543,419	*493,338*
Change in cash and cash equivalents in the year		64,851	*3,617*
Cash and cash equivalents at start of year		206,383	202,766
Cash and cash equivalents at end of year		271,234	*206,383*
Cash comprises:			
Cash at bank		271,234	*206,383*

THE DUCHY OF LANCASTER BENEVOLENT FUND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2025

1. Accounting Policies

(a) Basis of Accounting
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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Significant judgements, key assumptions and estimates
Accounting estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Duchy makes estimates and assumptions concerning the future. The resulting accounting estimates could, by definition, differ from the actual outcome.
There are no estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Income
Donations and interest from banks and Government securities are accounted for on an accruals basis. Dividends are accounted for when received.

(d) Grants
Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

(e) Governance costs
Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

(f) Taxation
The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

(g) Fixed Asset Investments
Fixed Asset investments are stated in the Balance Sheet at market value.

(h) Cash and cash equivalents
Cash and cash equivalents includes cash at hand and on deposit held at call at the bank.

(i) Debtors
Trade and other debtors are recognised at the settlement amount due.

(j) Creditors
Creditors are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(k) Expendable Endowment Fund
Donations from the Duchy of Lancaster have been invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

(l) Portfolio Manager Fees
The portfolio manager fees are taken from capital and disclosed in the unrealised (loss)/gain movement in note 8.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2025

2. Endowments/ Donations

	2025	*2024*
	£	£
The Duchy of Lancaster	100,000	*100,000*
The Duchy of Lancaster Coronation Food Project	-	*900,000*
	100,000	*1,000,000*

3. Investment income

	2025	*2024*
	£	£
Quoted securities :		
Interest on fixed interest stocks and dividends on unit trusts	539,465	*488,741*
	539,465	*488,741*
Bank interest	3,954	*4,597*
	543,419	*493,338*

4. Charitable activities

	Unrestricted General Funds		Restricted Funds	2025	*2024*
	£	£		£	£
	Grants	Support and Governance costs	Grants	Total	*Total*
Youth and education	99,791	8,656	-	108,447	*229,518*
Older & Disabled Persons	53,818	4,668	-	58,486	*117,068*
Community help	291,334	25,272	-	316,606	*1,137,530*
Religious causes	18,240	1,582	-	19,822	*31,333*
Miscellaneous	10,000	867	-	10,867	*14,963*
	473,183	41,045	-	514,228	*1,530,412*

An analysis of grants made is shown on pages 15 to 18. Support costs are pro-rated across the normal activities.

The Trustees have expressed an intention to make the following future payments, subject to the receipt of sufficient income being received from investments:

- in 2025/26, £32,000 made up of 7 grants

These future payments have been accrued for in 2025.

5. Allocation of Support and Governance costs

	£	£	2025	*2024*
	Governance costs	Support costs	Total	
Auditor's fees - for audit	7,380	-	7,380	*6,960*
Expenses of Trustees	262	-	262	*1,116*
Other administration costs	33,404	-	33,404	*25,187*
	41,046	-	41,046	*33,263*

Other administration costs principally consist of contributions towards office costs of the three Lords Lieutenancy offices and the Duchy of Lancaster Office together with costs of Trustees' meetings.

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster.

6. Trustee and Staff Costs

None of the Trustees received any remuneration during the year (2024 : £nil). Travel and meeting expenses incurred on behalf of 6 Trustees amounted to £262 (2024 : £1,116 6 Trustees). The charity has no directly employed staff.

7. Investments

	2025	2024
	£	£
Quoted securities :		
Property Funds	1,363,879	1,339,102
Other Funds	17,102,214	17,531,572
	18,466,093	18,870,674

The historic cost of investments at 31st March 2025 was £19,300,345 (2024 : £13,614,106), principally due to the change of Investment Managers during the year.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

8. Reconciliation of movement of investments

	2025	2024
	£	£
Quoted investments:		
Market value at 1st April 2024	18,870,674	17,823,657
Management fee	(61,555)	(72,345)
(Loss) / gains in value of investments	(343,026)	1,119,362
Market value at 31st March 2025	18,466,093	18,870,674

During the year the main portfolio was transferred from Newton to Cazenove, management fees that were paid out of capital are shown above. Additional mangement fees were paid in cash.

Equalisation within the portfolio is credited to the capital cash account and reinvested into the portfolio if cash is not required.

9. Debtors

	2025	2024
	£	£
Deposit interest	1,793	2,318
Dividend income	3,753	4,141
	5,546	6,459

10. Related Parties

Certain of the Duchy of Lancaster Benevolent Fund's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Fund. The amount of such expenses relating to the year ended 31st March 2025 was £1,509 (2024: £7,058). During the year a related Duchy of Lancaster Charity (Duke of Lancaster Housing Trust) paid for a joint Directors and Officers insurance policy, the Duchy of Lancaster Benevolent Fund reimbursed them £1,253 (2024:£nil).

The Duchy of Lancaster Benevolent Fund paid the following grants to charities with connections to the following trustees:

- Diane Hawkins is either a Patron, President or similar for: Greater Manchester Magistrates £1,500 (2024: nil), Hollinwood Scout Group £2,000 (part of GM North) (2024: £nil)
- Mr Mark Blundell is either a Patron, President or similar for: Barnstondale Centre £1,945 (2024 £nil), 15th Fairfield Scouts £3,500 (2024 £nil) and 4th Crosby and District Scouts £2,940 (2024 £nil), (part of Merseyside Scouts), Sefton Council of Voluntary Services £nil (2024: £15,000 which was then distributed to other organisations which have been listed in the grant listing).
- Amanda Parker, Hon. Mr Justice Timothy Fancourt, Sonia Tolaney and Sir Michael Stevens who served in the year have no connections to any of the charities receiving grants.

The Duchy of Lancaster made donations of £100,000 in the year ended 31 March 2025 (2024: £1,000,000).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2025

11. Grants payable and accrued expenses

	2025	*2024*
	£	£
Audit	7,380	*6,960*
Investment Management Fees	2,000	-
Grants - amounts falling due within one year	32,000	51,000
	41,380	*57,960*
Grants - amounts falling after one year	-	32,000
	41,380	*89,960*

12. Net assets by fund

	2025		
	General Fund	Restricted Fund	Expendable endowment
	£	£	£
Investments	-	-	18,466,093
Current assets	108,411	-	168,369
Current liabilities	(41,380)	-	-
Non-current liabilities	-	-	-
Net Assets	67,031	-	18,634,462

	2024		
	General Fund	Restricted Fund	Expendable endowment
	£	£	£
Investments	-	-	18,870,674
Current assets	106,028	-	106,814
Current liabilities	(57,960)	-	-
Non-current liabilities	(32,000)	-	-
Net Assets	16,068	-	18,977,488

13. Movement in funds

	General Fund	Restricted Fund	Expendable endowment	Total
	£	£	£	£
As at 1 April 2024	16,068	-	18,977,488	18,993,556
Incoming resources	543,419	-	100,000	643,419
Outgoing resources	(592,456)	-	-	(592,456)
Investments Gains/(losses)	-	-	(343,026)	(343,026)
Transfers between funds	100,000	-	(100,000)	-
As at 31 March 2025	67,031	-	18,634,462	18,701,493

14. Reconciliation of net expenditure to net cash inflow from operating activities

	2025	*2024*
	£	£
Net (expenditure) / income as per statement of financial activities	(292,063)	*1,009,943*
Adjusted for:		
Net losses / (gains) on investments	343,026	*(1,119,362)*
Investment income	(543,419)	*(493,338)*
Investment Management fees	61,555	*72,345*
(Increase)/decrease in receivables	913	*271*
(Decrease)/increase in payables	(48,580)	*40,420*
Net cash outflow from operating activities	(478,568)	*(489,721)*

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2025

YOUTH AND EDUCATION	£
15th Fairfield Scouts	3,500
Claire House	4,800
Dog Hill Scout and Community Campsite	2,000
Dr. Martin Clarke (Young Organ Scholars Trust)	2,500
Drama Expressions for Children	2,300
Evolve	4,350
Friends of Kirkbny	3,000
Friends of Tameside Young Carers	2,000
Girl Guiding Urmston Divisions	2,000
Girls' Friendly Society	2,500
Harper Adams Development Trust	5,000
Hollinwood Scout Group	2,000
Joss Searchlight	2,500
Kingfisher Special School	3,000
Lancaster Royal Grammar School	5,000
Leigh Miners Rangers Rugby League Academy	2,000
Lev Echod Cancer Care	2,000
Moulton College	5,000
Myerscough College of Agriculture	5,000
Oldham Sea Cadets	2,000
Plus One Community	2,100
Reaseheath College	5,000
S Pinter Youth Project	3,000
Sefton Children's Trust	2,180
St Olaves School - Wakeham Choristers	2,000
Teen Dreams	3,700
The Fitmill Hub CIC	4,800
The Happy & Healthy Trust	3,995
The Kings Trust	2,000
The Reader Organisation	4,250
Woodplumpton PTFA	3,000
Yellow House	3,273
Young Lives vs Cancer	2,000
Total of 31 grants each below £2,000	32,043
Returned grants or increase /(reductions) in future commitments :	
Various	(36,000)
	99,791

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2025

OLDER & DISABLED PERSONS	£
Heswall Disabled Children's Holiday Fund	3,298
St. Joseph's Hospice	3,038
Back to Life Liverpool	4,995
Dementia Together Wirral	3,036
St Ann's Hospice	5,000
Central Lancashire Armed Forces Association	5,000
Galloways Society for the Blind	2,000
Disability Snowsport UK	2,000
West Coast Crash Wheelchair Rugby Club	2,000
Twilight Kindness	2,700
All Together Now	5,000
Total of 17 grants each below £2,000	15,751
Returned grants or reductions in future commitments :	
Various	-
	53,818

COMMUNITY HELP	£
The Gregson Community Association Ltd	5,000
4th Crosby and District Scouts	2,940
Abram Wilson Foundation for Creative Arts	2,000
Adam's Activity Ark CIC	2,700
Arts2Heal	5,000
Barnabus (Manchester)	2,000
Beacon Bolton COUNSELLING SERVICE	2,000
Brighter Living Partnership	2,100
Burnage Food Bank	2,000
Chesed Hospital Transport	4,650
Chichele College Management Team	2,500
Church Road Methodist Church (Wesley's Teaching Project)	5,000
Clatterbridge Cancer Charity	4,760
Contact Hostel	2,000
Dingle Multi Agency Centre	4,661
Dunsop Bridge Jubilee Play Area Charitable Trust	5,000
Embassy Village	5,000
Emmaus Bolton	5,000
Farnworth Baptist Church	2,000
FRIENDS OF DIDSBURY PARK	2,000
Halle O'Brien CIC	2,000
Homeless Support Project	2,000
In Another Place	4,550
Jolly Josh	2,000
Kindfulness Coffee	2,426
La Petite Mort Theatre (LPM Dance)	4,838
Lancaster University Regional Heritage Unit	9,000
Linacre Methodist	2,450
Longton Victory Memorial Sports & Social Club	4,000

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2025

Manchester Action on Street Health	2,000
Marine in the Community	2,200
Nelson Independent Labour Party Land Society Ltd (Nelson Clarion House)	3,000
North West Air Ambulance	5,000
NYMR Bridge	5,000
Out There Supporting Families of Prisoners	2,000
PCC Holy Trinity with St Laurence (also known as Morecambe Parish Church)	5,000
RAINBOW SURPRISE	2,000
Redeeming our Communities	2,000
ROCHDALE CONNECTIONS TRUST	2,000
Royal Exchange Theatre	2,833
Saddleworth St Chad Parish Church	2,000
Salford Loaves and Fishes	3,197
Sandcroft	4,350
Shaftesbury Youth Club	2,200
Special Educational Needs Families Support Group	2,000
St. Helens Carers	2,435
St. Vincent de Paul Society	4,640
Tameside East Foodbank	2,000
The Boaz Trust	5,000
The Destitution Project	2,000
The Friends of Flaybrick	2,700
The Garden House	2,000
The Gladstone Theatre	4,542
The Little Centre	3,000
The Together Trust	2,000
The Waterloo & Crosby Theatre Company	2,500
Trust in Community - The TIC Group CIC	3,000
United Youth Alliance CIC	2,300
VISIT FROM THE STORK	2,000
West Bradford Community Hub	3,000
Whalley Parish Church Council Development Fund	2,000
Wirral Archaeology	4,954
Young & Inspired	3,393
Yuvanis Foundation	2,000
Total of 99 grants each below £2,000 - Unrestricted	97,515
Returned grants or reductions in future commitments :	
Various	(10,000)
	291,334

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2025

RELIGIOUS CAUSES	£
Kuumba Imani Millenium Cenre	2,100
Langham with Boxted PCC	2,460
PCC St. Chads	4,600
St Barnabas Heapey Parish Church	2,000
Whitwick Parish Church	5,000
Total of 4 grants each below £2,000	2,080
Returned grants or reductions in future commitments :	
Various	-
	18,240

MISCELLANEOUS CAUSES	£
Lancashire County Council (Museum Service)	2,000
Release Mates CIC	3,000
Total of 7 grants each below £2,000	5,000
Returned grants or reductions in future commitments :	
Various	-
	10,000
Total of grants made in the year	473,183

DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales - Charity number 1026752

Accounts

THE DUCHY OF LANCASTER BENEVOLENT FUND

Registered Charity Number 1026752

REPORT OF THE TRUSTEES

AND ACCOUNTS FOR THE YEAR

TO 31st MARCH 2024

THE DUCHY OF LANCASTER BENEVOLENT FUND

FOR THE YEAR ENDED 31st MARCH 2024

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THE DUCHY OF LANCASTER BENEVOLENT FUND

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2024

1. Objects of the Trust

The objects of the Trust are to support charitable causes in:

- the County Palatine of Lancaster
- the administrative counties of Lancashire, Greater Manchester and Merseyside
- elsewhere in the country where the Duchy of Lancaster has historical links (such as landed interests and church livings).

Applications for grants should be addressed to the Secretary.

Donations from the Duke of Lancaster have been given to the Trust with the request that they are, for the time being, invested to provide an income to support the objects of the Trust. The Trustees have accordingly placed the donations into a separate investment fund, the Expendable Endowment Fund. In the year a one off additional donation of £900,000 was made to the Benevolent Fund from the Duchy of Lancaster to be used to support the Coronation Food Project in Merseyside, which has been placed in a restricted fund. In 2023 a one off additional donation of £420,000 was made to support food banks and/or provide food for those in need.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objectives which form the basis of this policy are given above.

2. Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objectives of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

3. Achievements and performance

The Trustees have reviewed and are content that the objectives of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objectives.

During the year the Trust has made or made future commitments to 259 grants totalling £1,497,149 (2023 : 461 grants totalling £958,535) as set out on page 14 to 17 of the financial statements.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The aim of the charity is to distribute at least £500,000 in grants funded from the investment portfolio. If the portfolio is to generate income of circa £500,000 this implies a minimum initial yield target for the investment portfolio of 2.65%, whilst maintaining the capital value of the fund in real terms, after inflation and distributions. This target is below the minimum long term average total return target for the investment portfolio of CPI inflation +3% p.a. The portfolio generated £488,741 of investment income in the year and a transfer of £220,000 from the expendable endowment fund was made in order to fund expenditure on charitable activities of £700,257. This led to an increase in the Unrestricted General Fund of £13,081 and carried forward balance of £16,068.

A grant of £100,000 is normally received from the Duchy of Lancaster every year towards the Expendable Endowment Fund. In 2024 a further £900,000 was received for the support of the Coronation Food Project in Merseyside which was placed in a restricted fund. The £900,000 was granted in the year along with the remaining £2,500 of 2023 food bank grants leaving a restricted fund balance of £nil.

4. Financial review

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Statement of Investment Principles set out on pages 18 and 19.

Over the year, the Trust's investment assets increased in value by £1,047,017 (5.9%), being the net gains on investments of £1,119,362 and investment management fees of £72,345 per note 8.

During the year the investment income generated was £493,338 (2023 : £418,089).

5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and regularly reviewing the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the recipients of grants are known to and well understood by the Trustees who are able to assess the effectiveness that the grant making has. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the Unrestricted General Fund.

The Expendable Endowment fund had a balance of £18,977,488 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required. During the year a transfer of £220,000 was made from the Expendable Endowment Fund to the General Fund leaving it with a year end balance of £16,068 free reserves.

A restricted fund was created in 2023 year for the support of foodbanks and/or provide food for those in need after receipt of a donation of £420,000 from the Duchy of Lancaster for this purpose. The Lieutenants distributed £417,500 of the £420,000 in the year to 31 March 2023 leaving a surplus balance of £2,500 which was distributed in 2024 along with another restricted donation of £900,000 received from the Duchy of Lancaster for the Coronation Food Project in Merseyside.

7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

8. Structure, governance, management and administrative details

Governing Instrument

The Duchy of Lancaster Benevolent Fund was constituted on 29th September 1993 under a Trust Deed. The registered charity number is 1026752.

Trustees and principal officers

Trustees are appointed by the Chancellor of the Duchy of Lancaster, these were as follows:

Trustees:	Appointed	Retired
The Vice Chancellor of the County Palatine (Chairman)		
Hon. Mr. Justice Timothy Fancourt		
The Attorney General of the Duchy of Lancaster		
Sonia Tolaney		
The Receiver General of the Duchy of Lancaster		
Sir Michael Stevens KCVO		
The Lord Lieutenant of Lancashire		
Lord Shuttleworth KG, KCVO		2 August 2023
Amanda Parker JP DL	2 August 2023	
The Lord Lieutenant of Greater Manchester		
Diane Hawkins JP DL		
The Lord Lieutenant of Merseyside		
Mr Mark Blundell		

Secretary:

Mr Hugh Bruce-Watt

The Trustees meet twice a year and make all major (£5,000 and over) grant making and investment decisions. Decisions on making other grants are delegated to 4 local panels based in Lancashire, Greater Manchester, Merseyside and London, which each meet around four times a year. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster.

Administration

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

Advisors

Bankers:
Coutts & Co.
440 Strand
London
WC2R OQS

Solicitors:
Farrer & Co.
66 Lincoln's Inn Fields
London
WC2A 3LH

8. Structure, governance, management and administrative details (continued)

Auditors:	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Investment manager:	Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment custodian:	The Bank of New York 1 Canada Square London E14 5AL

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 & 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 5 Nov. 24 and signed on their behalf by

The Hon Mr Justice Fancourt
Chairman of the Trustees

THE DUCHY OF LANCASTER BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of the Duchy of Lancaster Benevolent Fund for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 March 2024 and of its incoming resources and application of resources 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 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 Auditors' 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 annual report, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or

Matters on which we are required to report by exception (continued)

- 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, 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

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified :

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Audit response to risks identified (continued):
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 19 November 2024

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2024

	Notes	Unrestricted General Fund £	Restricted Fund £	Expendable Endowment Fund £	Total 2024 £	*Total 2023 £*
Income and endowments from:						
Endowments / Donations	2	-	900,000	100,000	1,000,000	*520,000*
Investments	3	493,338	-	-	493,338	*418,089*
Total		493,338	900,000	100,000	1,493,338	*938,089*
Expenditure on:						
Raising Funds	8	72,345	-	-	72,345	*70,672*
Charitable activities	4	627,912	902,500	-	1,530,412	*988,144*
Total		700,257	902,500	-	1,602,757	*1,058,816*
Net gains/(losses) on investments	8	-	-	1,119,362	1,119,362	*(300,690)*
Net (expenditure)/income		(206,919)	(2,500)	1,219,362	1,009,943	*(421,417)*
Transfer between funds		220,000	-	(220,000)	-	-
Net movement in funds		13,081	(2,500)	999,362	1,009,943	*(421,417)*
Reconciliation of funds:						
Total funds brought forward		2,987	2,500	17,978,126	17,983,613	*18,405,030*
Total funds carried forward		16,068	-	18,977,488	18,993,556	*17,983,613*

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2023

	Notes	Unrestricted General Fund £	Restricted Fund £	Expendable Endowment Fund £	Total 2023 £
Income and endowments from:					
Endowments	2	-	420,000	100,000	520,000
Investments	3	418,089	-	-	418,089
Total		418,089	420,000	100,000	938,089
Expenditure on:					
Raising Funds	8	70,672	-	-	70,672
Charitable activities	4	570,644	417,500	-	988,144
Total		641,316	417,500	-	1,058,816
Net (losses)/gains on investments	8	-	-	(300,690)	(300,690)
Net (expenditure)/income		(223,227)	2,500	(200,690)	(421,417)
Transfer between funds		200,000	-	(200,000)	-
Net movement in funds		(23,227)	2,500	(400,690)	(421,417)
Reconciliation of funds:					
Total funds brought forward		26,214	-	18,378,816	18,405,030
Total funds carried forward		2,987	2,500	17,978,126	17,983,613

The notes on pages 10 to 13 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

BALANCE SHEET AT 31st MARCH 2024

	Notes	2024 £	*2023 £*
Fixed Assets			
Investments	7	18,870,674	*17,823,657*
Current Assets			
Debtors	9	6,459	*6,730*
Cash and deposits		206,383	202,766
		212,842	209,496
Creditors: amounts falling due within one year			
Grants and accrued expenses	11	(57,960)	*(25,540)*
Net Current Assets		154,882	*183,956*
Creditors: amounts falling due after one year			
Grants	11	(32,000)	*(24,000)*
Total Non-Current Liabilities		(32,000)	*(24,000)*
Net Assets		18,993,556	*17,983,613*
Capital Fund			
Expendable Endowment	12	18,977,488	*17,978,126*
Income Fund			
Unrestricted General Fund	12	16,068	*2,987*
Restricted Fund		-	*2,500*
		18,993,556	*17,983,613*

Approved by the Trustees on 5 Nov 24 and signed on their behalf by

The Hon Mr Justice Fancourt
Chairman of the Trustees

The notes on pages 10 to 13 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

CASH FLOW STATEMENT
FOR THE YEAR TO 31st MARCH 2024

	Notes	Total 2024 £	*Total 2023 £*
Cash outflow from operating activities	14	(489,721)	(485,248)
Cash flows from investing activities			
Dividends and interest		488,741	*417,300*
Interest		4,597	*789*
Sale of investments		-	-
Purchase of investments		-	-
Net cash inflow from investing activities		493,338	*418,089*
Change in cash and cash equivalents in the year		3,617	*(67,159)*
Cash and cash equivalents at start of year		202,766	269,925
Cash and cash equivalents at end of year		206,383	*202,766*
Cash comprises:			
Cash at bank		206,383	*202,766*

THE DUCHY OF LANCASTER BENEVOLENT FUND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2024

1. Accounting Policies

(a) Basis of Accounting
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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Significant judgements, key assumptions and estimates
Accounting estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Duchy makes estimates and assumptions concerning the future. The resulting accounting estimates could, by definition, differ from the actual outcome.
There are no estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Income
Donations and interest from banks and Government securities are accounted for on an accruals basis. Dividends are accounted for when received.

(d) Grants
Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

(e) Governance costs
Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

(f) Taxation
The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

(g) Fixed Asset Investments
Fixed Asset investments are stated in the Balance Sheet at bid-price valuation.

(h) Expendable Endowment Fund
Donations from the Duchy of Lancaster have been invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

(i) Portfolio Manager Fees
The portfolio manager fees are taken from capital and offset in the unrealised (loss)/gain movement in note 8.

2. Endowments/ Donations

	2024	*2023*
	£	£
The Duchy of Lancaster	100,000	*100,000*
The Duchy of Lancaster Coronation Food Project / Food Bank funding	900,000	*420,000*
	1,000,000	*520,000*

3. Investment income

	2024 £	*2023 £*
Quoted securities :		
Interest on fixed interest stocks and dividends on unit trusts	488,741	*417,300*
	488,741	*417,300*
Bank interest	4,597	*789*
	493,338	*418,089*

4. Charitable activities

	Unrestricted General Funds £	£	Restricted Funds £	2024 £	*2023 £*
	Grants	Support and Governance costs	Grants	Total	*Total*
Youth and education	217,360	12,158	-	229,518	*144,602*
Older & Disabled Persons	110,867	6,201	-	117,068	*75,034*
Community help	222,579	12,451	902,500	1,137,530	*704,220*
Religious causes	29,673	1,660	-	31,333	*46,357*
Miscellaneous	14,170	793	-	14,963	*17,931*
	594,649	33,263	902,500	1,530,412	*988,144*

An analysis of grants made is shown on pages 14 to 17. Support costs are pro-rated across the normal activities.

The Trustees have expressed an intention to make the following future payments, subject to the receipt of sufficient income being received from investments:

- in 2024/25, £51,000 made up of 10 grants
- in 2025/26, £32,000 made up of 7 grants

These future payments have been accrued for in 2024.

5. Allocation of Support and Governance costs

	£	£	2024 £	*2023 £*
	Governance costs	Support costs	Total	
Auditor's fees - for audit	6,960	-	6,960	*6,540*
Expenses of Trustees	1,116	-	1,116	*2,034*
Other administration costs	25,000	187	25,187	*21,035*
	33,076	187	33,263	*29,609*

Other administration costs principally consist of contributions towards office costs of the three Lords Lieutenancy offices and the Duchy of Lancaster Office together with costs of Trustees' meetings.

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster.

6. Trustee and Staff Costs

None of the Trustees received any remuneration during the year (2023 : £nil). Travel and meeting expenses incurred on behalf of 6 Trustees amounted to £1,116 (2023 : £2,034 6 Trustees). The charity has no directly employed staff.

7. Investments

	2024	2023
	£	£
Quoted securities :		
Property Funds	1,339,102	1,429,265
Other Funds	17,531,572	16,394,392
	18,870,674	17,823,657

The historic cost of investments at 31st March 2024 was £13,614,106 (2023 : £13,678,400).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

8. Reconciliation of movement of investments

	2024	2023
	£	£
Quoted investments:		
Market value at 1st April 2023	17,823,657	18,195,019
Management fee	(72,345)	(70,672)
Gains / (loss) in value of investments	1,119,362	(300,690)
Market value at 31st March 2024	18,870,674	17,823,657

Management fees have been disclosed this year and the prior year is shown on a comparable basis.

9. Debtors

	2024	2023
	£	£
Other debtors	-	2,500
Deposit interest	2,318	517
Dividend income	4,141	3,713
	6,459	6,730

10. Related Parties

Certain of the Duchy of Lancaster Benevolent Fund's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Fund. The amount of such expenses relating to the year ended 31st March 2024 was £7,058 (2023: £771).

The Duchy of Lancaster Benevolent Fund paid the following grants to charities with connections to the following trustees:

- Lord Shuttleworth is either a Patron, President or similar: Cancer Care North Lancashire & South Cumbria £nil (2023: £2,475)
- Diane Hawkins is either a Patron, President or similar for: Fortalice £nil (2023: £2,000), Walthew House £nil (2023: £4,000)
- Mr Mark Blundell is either as Patron, President or similar for: Sefton Council of Voluntary Services £3,000 (2023: £15,000) which was then distributed to other organisations which have been listed in the grant listing , Liverpool Commonwealth Association (MAST) £nil (2023: £2,000).
- Amanda Parker, Hon. Mr Justice Timothy Fancourt, Sonia Tolaney and Sir Michael Stevens who served in the year have no connections to any of the charities receiving grants.

The Duchy of Lancaster made donations of £1,000,000 in the year ended 31 March 2024 (2023: £520,000).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2024

11. Grants and accrued expenses

	2024	*2023*
	£	£
Audit	6,960	*6,540*
Administration	-	-
Grants - amounts falling due within one year	51,000	19,000
	57,960	*25,540*
Grants - amounts falling after one year	32,000	24,000
	89,960	*49,540*

12. Net assets by fund

	General Fund	2024 Restricted Fund	Expendable endowment
	£	£	£
Investments	-	-	18,870,674
Current assets	106,028	-	106,814
Current liabilities	(57,960)	-	-
Non-current liabilities	(32,000)	-	-
Net Assets	16,068	-	18,977,488

	General Fund	2023 Restricted Fund	Expendable endowment
	£	£	£
Investments	-	-	17,823,658
Current assets	52,527	2,500	154,468
Current liabilities	(25,540)	-	-
Non-current liabilities	(24,000)	-	-
Net Assets	2,987	2,500	17,978,126

13. Movement in funds

	General Fund	Restricted Fund	Expendable endowment	Total
	£	£	£	£
As at 1 April 2023	2,987	2,500	17,978,126	17,983,613
Incoming resources	493,338	900,000	100,000	1,493,338
Outgoing resources	(700,257)	(902,500)	-	(1,602,757)
Investments Gains/(losses)	-	-	1,119,362	1,119,362
Transfers between funds	220,000	-	(220,000)	-
As at 31 March 2024	16,068	-	18,977,488	18,993,556

14. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2024	*2023*
	£	£
Net income/(expenditure) as per statement of financial activities	1,009,943	*(421,417)*
Adjusted for:		
Net (gains)/losses on investments	(1,119,362)	*300,690*
Investment income	(493,338)	*(418,089)*
Investment Management fees	72,345	*70,672*
(Increase)/decrease in receivables	271	*7,433*
(Decrease)/increase in payables	40,420	*(24,537)*
Net cash outflow from operating activities	(489,721)	*(485,248)*

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2024

YOUTH AND EDUCATION	£
Blessed John Henry Newman RC College Combined Cadet Force	2,000
Broadfield Friends Association	3,500
Brunswick Youth & Community Centre, Bootle.	3,550
Child Action Northwest	2,000
Coram Shakespeare Schools Foundation - London	4,000
Dot-art Services CIC	3,900
Evolve - Tackling the impact of substance misuse.	3,500
Foundation Years Trust, Wirral.	3,000
Francis House Children's Hospice	2,000
Greater Manchester Army Cadet Force	2,000
Harper Adams University	5,000
Inspire Youth Zone	5,000
Lancaster Royal Grammar School	5,000
Lancaster University Regional Heritage	9,000
Mersey Counselling and Therapy Centre	3,600
Mishon	3,500
Moulton College	5,000
Mysercough College	5,000
National Museums Liverpool	3,000
Northgate School Northampton - Place2Bee	5,000
Once Upon a smile	2,000
Priority Youth Project	5,000
Rainbow Youth & Community Trust	5,000
Reaseheath	5,000
Royal Liverpool Philharmonic Society	5,000
Sale West Amateur Boxing Club	2,000
Split Perspectivz trading as Builder Book	5,000
St Olaves Grammar School	2,000
Stick n Step	2,818
Strawberry Fields Training CIC	5,000
The Beacon Elim Churches	5,000
The Grand at Clitheroe	4,000
The Panathlon Foundation Ltd	3,000
The Prince's Trust	4,284
The Reporters' Academy	2,734
The Sir Tom Finney Preston Soccer Centre	4,000
Trust Music	3,000
West Lancashire County Scout (Council Events)	2,000
Total of 31 grants each below £2,000	26,974
Returned grants or increase /(reductions) in future commitments :	
Various	45,000
	217,360

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2024

OLDER & DISABLED PERSONS	£
Life Now	5,000
Lets Fish	2,450
Broughton House	4,437
Handicapped Childrens action Group	2,713
Stockport Talking Newspaper	4,000
Team mates	2,000
Douglas Bader Foundation	2,750
RAFT (Residents Association of Farringdon & Thirlmere)	2,000
Sullivans Heroes	4,054
Cherish (Reach and Connect)	3,100
League of Welldoers	3,460
Willow Wood Hospice	5,000
Seashell Trust	30,000
Wheelchair Rugby	5,000
Willowbrook Hospice	4,000
Sam's Diamonds	2,327
Henshaws	3,740
Springhill Hospice	2,000
Stockdales of Sale, Altrincham & District	2,000
Total of 25 grants each below £2,000	20,836
Returned grants or reductions in future commitments : Various	-
	110,867

COMMUNITY HELP	£
Achieved dreams	2,118
Arriva Morris Dancers, Kirkby.	2,500
Beacon Dementia & Wellbeing	3,000
Blundellsands Methodist Church	2,000
Bolton Mountain Rescue Team	5,000
Brave Church, Oswaldtwistle	5,000
Brookfield Retrofit Project	5,000
Church on the Street Ministries	3,300
Coronation Food Project	**900,000**
CreateBolton	2,169
Dingle Multi Agency Centre Ltd	2,800
East Meets West (Women Together in Lancaster)	2,200
Emerge 3RS	2,692
Four Seasons Allotments	2,000
Freedom from Torture	5,000
Goathland Community Hub	4,200
Groundwork	5,000
Guide Bridge Theatre	2,000
Halle Concerts Society on behalf of The Charles Halle Foundation	2,000
Hope for Justice	5,000
Humans Mcr	2,000
Knowle Green Village Hall	5,000
Liverpool Lighthouse	3,048
Manchester Sikh Foundation (Also known as Feed My City)	2,000
motiv8-lancs CIC	3,560

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2024

North West Air Ambulance	5,000
Opening Doors Project	3,650
Parochial Church Council Over Kellet (Over Kellet Jubilee Bells Project)	3,000
PCC Holy Trinity with St Laurence Church (also known as Morecambe Parish Chu	5,000
Prevent Breast Cancer	2,000
Renewal North west	2,145
Revolving Doors Housing Trust	2,000
River Oaks Charity	4,630
Royal British Legion (Southport Branch)	3,000
Sefton CVS	3,000
Shoreline Foodbank	**5,000**
St Anns Hospice Major Grant	5,000
St Bartholomew's Church	5,000
St Gabriels Community Group	2,000
St John Ellesmere Community Centre	3,030
St Margaret's Ingol Parochial Church Council	5,000
St Paul's Parochial Church Council	2,000
St Thomas PCC	5,000
Standish Methodist Church	2,000
The Destitution Project	5,000
The Factory of Creativity	2,000
The Forward Trust, The Brink Café, Liverpool.	5,000
The Forward Trust, The Brink Café, Liverpool.	5,000
The Reader Organisation	4,103
Third Space Bolton	2,000
Tommys	2,000
Tuebrook Community Centre, Liverpool.	5,000
West End Impact	5,000
Total of 71 grants each below £2,000 - Unrestricted	53,934
Returned grants or reductions in future commitments :	
Various	(10,000)
	1,125,079
Unrestricted	222,579
Restricted	**902,500**

RELIGIOUS CAUSES	£
Dedham PCC Duchy Living Essex	3,998
Freedom Church	3,200
Liverpool Cathedral	8,180
PCC St Barnabas Morecambe	2,000
St. Helens Street Pastors	3,000
SVP Our Lady of Lourdes, Wirral.	2,000
The Parochial Church Council of the Ecclesiastical Parish of St James Clitheroe	3,395
Total of 4 grants each below £2,000	3,900
Returned grants or reductions in future commitments :	
Various	-
	29,673

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2024

MISCELLANEOUS CAUSES	£
Colne Citadel	3,000
Hyndburn Green Spaces Forum	4,500
Total of 9 grants each below £2,000	6,670
Returned grants or reductions in future commitments :	
Various	-
	14,170
Total of grants made in the year	1,497,149

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF INVESTMENT PRINCIPLES

Background and purpose of portfolio
The Duchy of Lancaster Benevolent Fund supports charitable causes in the County Palatine of Lancaster and elsewhere in the UK, where the Duchy of Lancaster has historical connections.

Investment objectives
The minimum investment objective for the Fund's investment portfolio is to maintain the capital value of the Fund in real terms after inflation and distributions.

Distribution policy
It is the Trustees' policy to distribute investment income received in the investment portfolio on an annual basis. The level of distribution is reviewed regularly in light of changing market conditions to ensure that it is sustainable over the longer term. The current distribution rate has been set at 3.0% p.a., approximately £500,000 in money terms.

Total return target
The level of distributions from the Fund and the need to maintain the real value of capital and income from inflation imply a minimum total return target over the longer term for the investment portfolio of CPI inflation +3% p.a.

Time horizon
The time horizon for the investment portfolio is considered to be long term, reflecting the Fund's purpose. This is defined in investment terms as being over ten years.

Liquidity requirement
There is no requirement to hold a specific proportion of assets in cash or other short term asset classes but all investments should be in relatively liquid vehicles.

Ethical considerations
There are no specific constraints on the investment portfolio in terms of ethical, social or environmental (ESG) matters but the managers of the portfolio are expected to take ESG issues into consideration when assessing individual investments and actively engage with company management to improve their ESG

Risk tolerance
A reasonable level of capital volatility within the investment portfolio is acceptable given the Fund's long term time horizon and total return objectives but to limit capital and other risks in the investment portfolio, the portfolio should be well diversified across asset classes and individual investments.

Investment benchmark
To achieve the required return without taking excessive risk in the investment portfolio, the strategic asset allocation or neutral benchmark for the portfolio has been set with 45% in UK equities, 22.5% in overseas equities, 18% in bonds, 10% in property and 4.5% in cash.

Investment management arrangements
The Trustees will appoint investment managers to manage the assets of the portfolio in accordance with the principles set out in this statement and within the guidelines set down from time to time by the trustees. The Trustees will monitor the performance of the manager against the stated investment benchmark on a quarterly basis but it is anticipated that the manager will be given a period of minimum tenure of between three and five years.

Permitted asset classes, ranges and benchmark indices
The table below shows the strategic asset allocation and benchmark indices against which the managers' performance will be monitored. The table also shows the broad asset classes in which investment is permitted. Maximum and minimum ranges have been set to limit the overall risk within the portfolio.

Permitted asset classes, ranges and benchmark indices (continued)

Asset class	Benchmark %	Permitted range %	Benchmark indices
Cash	4.5	0-10	Sterling 7 day SONIA
Bonds	18.0	10-35	FTSE All Stocks All Gilts Index
UK equities	45.0	-	FTSE All Share Index
Overseas equities	22.5	-	FTSE World ex UK Index
Total equities	67.5	45-80	
Property	10	5-15	MSCI UK Property Index
Total	100		Composite index

Currency and hedging
The Trust's liabilities are all in sterling and therefore the bulk of the portfolio should be held in sterling to avoid unnecessary currency risk. Non sterling exposure should be limited to 40%.

Restricted asset classes
There should be no investment in gold bullion and commodities nor in private equity vehicles.

Other restrictions

a. No direct holding is to exceed 1% of the issued share capital of a company without prior permission of the Trustees.

b. b. No acquisition should result in the relevant holding representing more than 5% of the value of the portfolio without prior consent of the Trustees, save in the case of a government security or managed fund. This does not preclude the retention of a holding that attains a value in excess of 5% of the Fund after purchase.

c. The manager must have the prior approval of the Trustees before:-
- Investing in non readily realisable investments;
- Effecting off-exchange transactions;
- Entering underwriting or sub-underwriting commitments;
- Using futures, options and other derivative products.

Approval to carry out any restricted activity may be given by one Trustee and the Secretary of the Fund upon receipt of a written recommendation from the manager. Any such approval must be reported to the trustees at their next meeting.

Review process
The Trustees will review the contents of this statement of investment principles on an annual basis and modify if it is deemed appropriate.

Last reviewed: November 2024

DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales - Charity number 1026752

Accounts

THE DUCHY OF LANCASTER BENEVOLENT FUND

Registered Charity Number 1026752

REPORT OF THE TRUSTEES

AND ACCOUNTS FOR THE YEAR

TO 31st MARCH 2023

THE DUCHY OF LANCASTER BENEVOLENT FUND

FOR THE YEAR ENDED 31st MARCH 2023

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THE DUCHY OF LANCASTER BENEVOLENT FUND

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2023

1. **Objects of the Trust**

The objects of the Trust are to support charitable causes in:

- the County Palatine of Lancaster
- the administrative counties of Lancashire, Greater Manchester and Merseyside
- elsewhere in the country where the Duchy of Lancaster has historical links (such as landed interests and church livings).

Applications for grants should be addressed to the Secretary.

Donations from the Duke of Lancaster have been given to the Trust with the request that they are, for the time being, invested to provide an income to support the objects of the Trust. The Trustees have accordingly placed the donations into a separate investment fund, the Expendable Endowment Fund. In the year a one off additional donation of £420,000 was made to the Benvolent Fund from the Duchy of Lancaster to be used to support food banks and/or provide food for those in need, which has been placed in a restricted fund.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objectives which form the basis of this policy are given above.

2. **Grant making policy**

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objectives of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

3. **Achievements and performance**

The Trustees have reviewed and are content that the objectives of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objectives.

During the year the Trust has made or made future commitments to 461 grants totalling £958,535 (2022 : 272 grants totalling £594,007) as set out in Note 4 to the financial statements.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The aim of the charity is to distribute at least £500,000 in grants funded from the investment portfolio. If the portfolio is to generate income of circa £500,000 this implies a minimum initial yield target for the investment portfolio of 2.81%, whilst maintaining the capital value of the fund in real terms, after inflation and distributions. This target is below the minimum long term average total return target for the investment portfolio of CPI inflation +3% p.a. The portfolio generated £418,089 of investment income in the year and a transfer of £200,000 from the expendable endowment fund was made in order to fund expenditure on charitable activities of £988,144. This led to a decrease in the Unrestricted General Fund of £23,227 and carried forward balance of £2,987.

A grant of £100,000 is received from the Duchy of Lancaster every year towards the Expendable Endowment Fund. In 2023 a further £420,000 was received for the support of foodbanks and/or provide food for those in need which was placed in a restricted fund. £417,500 was used in the year leaving a balance of £2,500 on the restricted fund.

4. **Financial review**

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Statement of Investment Principles set out on pages 20 and 21.

Over the year, the Trust's investment assets decreased in value by £371,362 (-2.04%), being the net losses on investments of £300,690 and investment management fees of £70,672 per note 8.

During the year the investment income generated was £418,089 (2022 : £410,882).

5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and regularly reviewing the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the recipients of grants are known to and well understood by the Trustees who are able to assess the effectiveness that the grant making has. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the Unrestricted General Fund.

The Expendable Endowment fund had a balance of £17,978,126 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required. During the year a transfer of £200,000 was made from the Expendable Endowment Fund to the General Fund leaving it with a year end balance of £2,987 free reserves.

A restricted fund was created in the year for the support of foodbanks and/or provide food for those in need after receipt of a donation of £420,000 from the Duchy of Lancaster for this purpose. The Lieutenants distributed £417,500 of the £420,000 in the year to 31 March 2023 leaving a surplus balance of £2,500 which was distributed post year end.

7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

8. Structure, governance, management and administrative details

Governing Instrument

The Duchy of Lancaster Benevolent Fund was constituted on 29th September 1993 under a Trust Deed. The registered charity number is 1026752.

Trustees and principal officers

Trustees are appointed by the Chancellor of the Duchy of Lancaster, these were as follows:

Trustees:	Appointed	Retired
The Vice Chancellor of the County Palatine (Chairman)		
Hon. Mr. Justice Timothy Fancourt		
The Attorney General of the Duchy of Lancaster		
Sonia Tolaney		
The Receiver General of the Duchy of Lancaster		
Sir Michael Stevens KCVO		
The Lord Lieutenant of Lancashire		
Lord Shuttleworth KG, KCVO		2 August 2023
Amanda Parker JP DL	2 August 2022	
The Lord Lieutenant of Greater Manchester		
Sir Warren Smith KCVO		4 July 2022
Diane Hawkins SPDL	4 July 2022	
The Lord Lieutenant of Merseyside		
Mr Mark Blundell		

Secretary:

Mr H. Bruce-Watt

8. Structure, governance, management and administrative details (continued)

The Trustees meet twice a year and make all major (£5,000 and over) grant making and investment decisions. Decisions on making other grants are delegated to 4 local panels based in Lancashire, Greater Manchester, Merseyside and London, which each meet around four times a year. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster.

Administration

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

Advisors

Bankers:	Coutts & Co. 440 Strand London WC2R OQS
Solicitors:	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Investment manager:	Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment custodian:	The Bank of New York 1 Canada Square London E14 5AL

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).

8. Structure, governance, management and administrative details (continued)

The law applicable to charities in England & 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 2/11/2023 and signed on their behalf by



The Hon Mr Justice Timothy Fancourt
Chairman of the Trustees

THE DUCHY OF LANCASTER BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of the Duchy of Lancaster Benevolent Fund for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 March 2023 and of its incoming resources and application of resources 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 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 Auditors' 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 annual report, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or

Matters on which we are required to report by exception (continued)

- 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified :

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Audit response to risks identified (continued):
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 13 November 2023

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2023

	Notes	Unrestricted General Fund £	Restricted Fund £	Expendable Endowment Fund £	Total 2023 £	*Total 2022 restated £*
Income and endowments from:						
Endowments / Donations	2	-	420,000	100,000	520,000	*100,000*
Investments	3	418,089	-	-	418,089	*410,882*
Total		418,089	420,000	100,000	938,089	*510,882*
Expenditure on:						
Raising Funds	8	70,672	-	-	70,672	*59,960*
Charitable activities	4	570,644	417,500	-	988,144	*620,122*
Total		641,316	417,500	-	1,058,816	*680,082*
Net gains/(losses) on investments	8	-	-	(300,690)	(300,690)	*1,750,302*
Net income/(expenditure)		(223,227)	2,500	(200,690)	(421,417)	*1,581,102*
Transfer between funds		200,000	-	(200,000)	-	-
Net movement in funds		(23,227)	2,500	(400,690)	(421,417)	*1,581,102*
Reconciliation of funds:						
Total funds brought forward		26,214	-	18,378,816	18,405,030	*16,823,928*
Total funds carried forward		2,987	2,500	17,978,126	17,983,613	*18,405,030*

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2022

	Notes	Unrestricted General Fund £	Expendable Endowment Fund £	Total 2022 £
Income and endowments from:				
Endowments	2	-	100,000	100,000
Investments	3	410,882	-	410,882
Total		410,882	100,000	510,882
Expenditure on:				
Raising Funds	8	59,960	-	59,960
Charitable activities	4	620,122	-	620,122
Total		680,082	-	680,082
Net gains/(losses) on investments	8	-	1,750,302	1,750,302
Net income/(expenditure)		(269,200)	1,850,302	1,581,102
Transfer between funds		200,000	(200,000)	-
Net movement in funds		(69,200)	1,650,302	1,581,102
Reconciliation of funds:				
Total funds brought forward		35,454	16,788,474	16,823,928
Total funds carried forward		(33,746)	18,438,776	18,405,030

The notes on pages 11 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

BALANCE SHEET AT 31st MARCH 2023

	Notes	2023 £	*2022 £*
Fixed Assets			
Investments	7	17,823,657	*18,195,019*
Current Assets			
Debtors	9	6,730	*14,164*
Cash and deposits		202,766	269,927
		209,496	284,091
Creditors: amounts falling due within one year			
Grants and accrued expenses	11	(25,540)	*(31,080)*
Net Current Assets		183,956	*253,011*
Creditors: amounts falling due after one year			
Grants	11	(24,000)	*(43,000)*
Total Non-Current Liabilities		(24,000)	*(43,000)*
Net Assets		17,983,613	*18,405,030*
Capital Fund			
Expendable Endowment	12	17,978,126	*18,378,816*
Income Fund			
Unrestricted General Fund	12	2,987	*26,214*
Restricted Fund		2,500	-
		17,983,613	*18,405,030*

Approved by the Trustees on 2/11/2023 and signed on their behalf by

The Hon Mr Justice Timothy Fancourt
Chairman of the Trustees

The notes on pages 11 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

CASH FLOW STATEMENT
FOR THE YEAR TO 31st MARCH 2023

	Notes	Total 2023 £	*Total 2022 £*
Cash outflow from operating activities	14	(485,248)	(541,338)
Cash flows from investing activities			
Dividends and interest		417,300	*410,860*
Interest		789	*22*
Sale of investments		-	-
Purchase of investments		-	-
Net cash inflow/(outflow) from investing activities		418,089	*410,882*
Change in cash and cash equivalents in the year		(67,160)	*(130,456)*
Cash and cash equivalents at start of year		269,926	400,382
Cash and cash equivalents at end of year		202,766	*269,926*
Cash comprises:			
Cash at bank		202,766	*269,926*

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2023

1. Accounting Policies

(a) Basis of Accounting
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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Significant judgements, key assumptions and estimates
Accounting estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Duchy makes estimates and assumptions concerning the future. The resulting accounting estimates could, by definition, differ from the actual outcome.
There are no estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Income
Donations and interest from banks and Government securities are accounted for on an accruals basis. Dividends are accounted for when received.

(d) Grants
Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

(e) Governance costs
Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

(f) Taxation
The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

(g) Fixed Asset Investments
Fixed Asset investments are stated in the Balance Sheet at bid-price valuation.

(h) Expendable Endowment Fund
Donations from the Duchy of Lancaster have been invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

(i) Portfolio Manager Fees
The portfolio manager fees are taken from capital and offset in the unrealised (loss)/gain movement in note 8.

2. Endowments/ Donations

	2023	*2022*
	£	£
The Duchy of Lancaster	100,000	*100,000*
The Duchy of Lancaster Food Bank funding	420,000	-
	520,000	*100,000*

3. Investment income

	2023	*2022*
	£	£
Quoted securities :		
Interest on fixed interest stocks and dividends on unit trusts	417,300	*410,860*
	417,300	*410,860*
Bank interest	789	*22*
	418,089	*410,882*

4. Charitable activities

	Unrestricted General Funds		Restricted Funds	2023	*2022*
	£	£	£	£	£
	Grants	Support and Governance costs	Grants	Total	*Total*
Youth and education	137,099	7,503		144,602	*179,283*
Older & Disabled Persons	71,141	3,893		75,034	*95,157*
Community help	271,843	14,877	417,500	704,220	*290,084*
Religious causes	43,952	2,405		46,357	*50,900*
Miscellaneous	17,000	931		17,931	*4,698*
	541,035	29,609	417,500	988,144	*620,122*

An analysis of grants made is shown on pages 15 to 19. Support costs are pro-rated across the normal activities.

The Trustees have expressed an intention to make the following future payments, subject to the receipt of sufficient income being received from investments:

- in 2023/24, £19,000 made up of 3 grants
- in 2024/25, £24,000 made up of 3 grants

These future payments have been accrued for in 2023.

5. Allocation of Support and Governance costs

	£	£	2023	*2022*
	Governance costs	Support costs	Total	
Auditor's fees - for audit	6,540	-	6,540	*5,580*
Expenses of Trustees	2,034	-	2,034	-
Other administration costs	21,000	35	21,035	*20,535*
	29,574	35	29,609	*26,115*

Other administration costs principally consist of contributions towards office costs of the three Lords Lieutenancy offices and the Duchy of Lancaster Office together with costs of Trustees' meetings.

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster.

6. Trustee and Staff Costs

None of the Trustees received any remuneration during the year (2022 : £nil). Travel and meeting expenses incurred on behalf of 6 Trustees amounted to £2,034 (2022 : £nil, 6 Trustees). The charity has no directly employed staff.

7. Investments

	2023	*2022*
	£	£
Quoted securities :		
Property Funds	1,429,265	*1,691,648*
Other Funds	16,394,392	*16,503,371*
	17,823,657	*18,195,019*

The historic cost of investments at 31st March 2023 was £13,678,400 (2022 : £13,739,870).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

8. Reconciliation of movement of investments

	2023	*2022 restated*
	£	£
Quoted investments:		
Market value at 1st April 2022	18,195,019	*16,504,677*
Management fee	(70,672)	*(59,960)*
(Loss) / gains in value of investments	(300,690)	*1,750,302*
Market value at 31st March 2023	17,823,657	*18,195,019*

Management fees have been disclosed this year and the prior year is shown on a comparable basis.

9. Debtors

	2023	*2022*
	£	£
Other debtors	2,500	-
Deposit interest	517	*6*
Dividend income	3,713	*14,158*
	6,730	*14,164*

10. Related Parties

Certain of the Duchy of Lancaster Benevolent Fund's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Fund. The amount of such expenses relating to the year ended 31st March 2023 was £771 (2022: £5,160).

The Duchy of Lancaster Benevolent Fund paid the following grants to charities with connections to the following trustees:

- Lord Shuttleworth is either a Patron, President or similar: Cancer Care North Lancashire & South Cumbria £2,475
- Sir Warren J. Smith to 4th July 2022 is either a Patron, President or similar for: Mustard Tree £7,000 (2022 £nil), Manchester Cathedral £nil (2022: £3,500), Francis House £nil (2022: £5,000), Henshaws Society for the Blind £2,000 (2022: £2,000), Hollinwood Scouts £nil (2022: £5,000), The Proud Trust £nil (2022: £2,000).
- Diane Hawkins is either a Patron, President or similar for: Fortalice £2,000 (2022: £ nil), Walthew House £4,000 (2022: £nil)
- Mr Mark Blundell is either as Patron, President or similar for: Barnstondale Centre £nil (2022: £5,000), Sefton Council of Voluntary Services £15,000 which was then distributed to other organisationswhich have been listed in the grant listing (2022: £5,000), Liverpool Commonwealth Association (MAST) £2,000 (£nil).
- Hon. Mr Justice Timothy Fancourt, Sonia Tolaney and Sir Michael Stevens who served in the year have no connections to any of the charities receiving grants.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2023

11. Grants and accrued expenses

	2023	*2022*
	£	£
Audit	6,540	*5,580*
Administration	-	-
Grants - amounts falling due within one year	19,000	25,500
	25,540	*31,080*
Grants - amounts falling after one year	24,000	43,000
	49,540	*74,080*

12. Net assets by fund

	2023			*2022*	
	General Fund	Restricted Fund	Expendable endowment	*General Fund*	*Expendable endowment*
	£	£	£	£	£
Investments	-	-	17,823,658	-	*18,195,019*
Current assets	52,527	2,500	154,468	*100,294*	*183,797*
Current liabilities	(25,540)	-	-	*(31,080)*	-
Non-current liabilities	(24,000)	-	-	*(43,000)*	-
Net Assets	2,987	2,500	17,978,126	*26,214*	*18,378,816*

13. Movement in funds

	General Fund	Restricted Fund		Expendable endowment	Total
	£	£		£	£
As at 1 April 2022	26,214	-		18,378,816	18,405,030
Incoming resources	418,089	420,000	#	100,000	938,089
Outgoing resources	(641,316)	(417,500)	#	-	(1,058,816)
Investments Gains/(losses)	-	-	#	(300,690)	(300,690)
Transfers between funds	200,000	-	#	(200,000)	-
As at 31 March 2023	2,987	2,500		17,978,126	17,983,613

14. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2023	*2022*
	£	£
Net income/(expenditure) as per statement of financial activities	(421,417)	*1,581,102*
Adjusted for:		
Net (gains)/losses on investments	300,690	*(1,750,302)*
Investment income	(418,089)	*(410,882)*
Investment Management fees	70,672	*59,960*
(Increase)/decrease in receivables	7,433	*(8,144)*
(Decrease)/increase in payables	(24,537)	*(13,072)*
Net cash outflow from operating activities	(485,248)	*(541,338)*

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2023

YOUTH AND EDUCATION	£
Air Cadets (Merseyside Wing)	3,500
Alder Hey Children's Charity	5,000
Butterflies Childrens Charity	2,000
CancerHelp (Preston) Ltd	3,500
Child Action Northwest	2,500
Escape2Make	5,000
Golden Gloves Boxing Club	3,000
Greater Manchester Magistrates assoc	2,000
HOBY UK	3,000
Inspire Youth Zone	5,000
Liverpool Biennial	2,000
Liverpool Commonwealth Association (MAST)	2,000
Mancunian Way	4,960
MAST	4,000
Merseyside Community Training Ltd	3,000
Methodist Centre (Toxteth)	5,000
Nene Valley Care Trust	3,000
PCC of Preston Parish (Preston Minster)	5,000
Ruby's Fund	2,500
Sefton Children's Trust	5,000
Seven Springs outdoor activity Centre	2,000
Shaftesbury Youth Club	3,000
The Prince's Trust	2,000
The Prince's Trust	3,203
TLC: Talk Listen change	2,000
Lancaster Royal Grammar School bursary fund	5,000
Harper Adams Development Trust bursary	5,000
Moulton College bursary	5,000
Myerscough College of Agriculture bursary fund	5,000
Return of 1 bursary unfilled	(2,500)
Lancaster Priory (Organ scholarship bursary)	3,000
Lancaster University Regional Heritage Unit	9,000
Total of 38 grants each below £2,000	34,936
Returned grants or increase /(reductions) in future commitments :	
Various	(10,500)
	137,099

OLDER & DISABLED PERSONS	£
Active Citizens Wirral Association	3,100
CancerCare North Lancashire & South Cumbria	2,475
Dementia Uk	2,000
Henshaws Society for the Blind	2,000
Little Sisters of the poor	2,742
Liverpool School of Tropical Medicine	5,000
Manchester Deaf Society	2,000
MedEquip4Kids	2,000
Sickle Cell Care Manchester	2,000
Sightline Vision (North West) Limited	5,000
St Helens Young Carers	2,000
Stick 'n' Step	2,098

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2023

Target Ovarian Cancer	2,000
The Terence O'Grady Social club	2,000
The Wheelyboat Trust	2,000
Walking with the Wounded	2,000
Walthew House	4,000
West Coast Crash Wheelchair Rugby	2,000
West Coast Crash Wheelchair Rugby Club	2,000
Wirral Hospice St John's	3,000
Young lives v Cancer	2,000
Total of 19 grants each below £2,000	17,726
Returned grants or reductions in future commitments :	
Various	-
	71,141

COMMUNITY HELP	£
Ark of Hope	**2,000**
Army of Kindness	**2,000**
Aspire2 Inspire Communities	**2,000**
Asylum & Refugee Community, Blackburn	2,000
Barnabus	**5,000**
Bay Volunteers (Hope Church Lancaster)	5,000
Blackburn & Darwen Foodbanks	**2,500**
Blackburn Foodbank	**3,000**
Blackburn St Luke's St Mark & St Philips Parochial Church Council	5,000
Blackburn Youth Zone	5,000
Blackpool's Voice	**2,500**
Blackpool's Voice	**3,000**
Bridge2 (Liverpool)	2,000
Bridging the Gap	2,000
Brookfield Spaceplace	3,000
Burnley FC in the Community	**2,500**
Burnley FC in the Community	**3,000**
CAP Account Padiham PCC	5,000
Caritas Red door	**5,000**
Caritas Corner Stone	**5,000**
Caritas Lalley centre	**5,000**
Caritas Cornerstone	**2,000**
Caritas Red Door	**2,000**
Centrepoint	**5,000**
Chelwood Foodbank Plus	**2,000**
Cherish (Reach and Connect)	2,000
Chorley United Reformed Church (The Hollinshead Centre)	5,000
Clitheroe Cricket, Bowling and Tennis Club	2,000
Coffee4Craig	2,000
Coffee4Craig	**3,000**
Community Larder, St Aidans Church, Bamber Bridge	**3,000**
Community Solutions Northwest	**2,500**
Community Solutions Northwest	**3,000**
Compassion Acts community pantries Southport	**5,000**
Crawshawbooth Village Community Centre Foodbank	**3,000**
Crewe Kindergarten Allotment Project	3,325
Curry on the Street	**2,500**
Curry on the Street	**3,000**

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2023

Destitution Project	**5,000**
Disability Equality (NW) Ltd	3,000
Downham Village Hall	5,000
Ecumenical Centre, Skelmersdale	**2,500**
Eggcup	5,000
Elisha House (Colne)	2,500
Emerge Fareshare	**5,000**
Emmaus Bolton	**2,000**
Emmaus Bolton	5,000
Emmaus Salford	**2,000**
Emmaus Salford Lucies Pantry	2,500
Emmaus South Manchester	4,000
End Furniture Poverty	5,000
Everton and Anfield Together (EAT)	2,500
Faiths4Change	3,500
Fallen Angels Dance Theatre	4,900
Farming Community Network	5,000
Farnworth and Kearsley foodbank	**3,000**
Farringdon Park Community Group (RAFT)	3,000
Fatima Womens Assoc	2,000
Fortalice	2,000
Friends of Kirkby Gallery & Prescot Museum	2,500
Fur Clemt	**2,500**
Fur Clemt	2,500
High Hopes for Halliwell Being	**2,000**
Hillside Methodist Church, Brinscall	**2,500**
Hillside Methodist Church, Brinscall	3,000
Hisprovision4 Blackpool	**2,500**
Hisprovision4 Blackpool	**3,000**
Hollinshead Centre (Open Kitchen)	**2,500**
Hollinshead Centre (Open Kitchen)	**3,000**
Incredible Eductaion CIC	2,000
Independence Initiative (Indy Pantry) Bootle	**3,000**
Lamet Habayeb	**2,000**
Lancashire and Region Dietary Education Resource (CIC) (The Larder)	3,700
Leyland Foodbank - Churches Together in Leyland	**2,500**
Leyland Foodbank - Churches Together in Leyland	**3,000**
Lifeshare Ltd	**5,000**
London Community Foundation	4,590
L30 Community Centre Netherton	**2,000**
Mahdlo	**5,000**
Manchester Sikh Foundation (Feed my city)	**5,000**
Manchester Sikh Foundation (Feed my city)	**2,000**
Maundy Relief Trust	**2,500**
Maundy Relief Trust	**3,000**
Morecambe Bay Foodbank	**2,500**
Morecambe Bay Foodbank	**3,000**
Mustard Tree	2,000
Mustard Tree	**5,000**
Nelson Community Masjid Foodbank	**2,500**
Nelson Community Masjid Foodbank	**3,000**
North West air ambulance Major grant	5,000
Number Seven	**16,900**
Oldham Foodbank	5,000
Ormskirk Food Bank	**2,500**
Ormskirk Food Bank	**3,000**
Osun Arts Foundation	2,275

Park Palace Ponies	5,000
Park Roots CIC (FOBP)	3,000
PCC St. George Huyton	**2,500**
Preston Community Hub Foodbank	**2,500**
Preston Community Hub Foodbank	**3,000**
Preston Minster Foodbank	**3,000**
RABI Lincolnshire Back to School Support	5,000
RABI Nothamptonshire food parcels	4,900
Rangemore Parish, Needwood outdoor play	4,697
Reachout to the Community	**3,000**
Redeeming Our Communities	2,000
Resource Blackburn	5,000
Ribble Valley Foodbank (overseen by the Ribble Valley Gateway Trust)	**2,500**
Ribble Valley Foodbank (overseen by the Ribble Valley Gateway Trust)	**3,000**
Rochdale Foodbank	4,000
Rochdale Foodbank	**2,000**
Salford Foodbank	**2,500**
Salford Foodbank	2,500
Salford Foodbank	**2,000**
Salford Loaves and Fishes	**2,000**
Skelmersdale & District Foodbank	**3,000**
Soup Kitchen	**5,000**
St Anns Hospice Major grant	5,000
St Helens Mobile Pantry	**5,500**
St John The Evangelist Church (Little Thornton Hub)	5,000
St Leonard's Youth and Community Centre community pantries	**5,000**
St Matthews	**3,000**
Star Academies - Highfield Academy	**3,000**
Star Academies - The Valley Leadership Academy, Bacup	**2,500**
Star Academies Family Food Bank - Morecambe Bay Academy	**3,000**
Star Academies Family Food Bank - Tauheedul Islam Boys' High School	**2,500**
Stockport Foodbank	5,000
Stretford Foodbank	2,500
Tameside East Foodbank	4,000
The Billy Project CIC	2,500
The Bolton Guild of Help	**2,000**
The Bolton Guild of Help	2,000
The Bond board	**2,000**
The Bond Board	2,000
The Booth Centre	2,000
The Booth Centre	**5,000**
The Bread and Butter Thing	**5,000**
The Bridge	**2,500**
The Bridge at Leigh	2,500
The Church on the Streeet Ministries	**2,500**
The Church on the Streeet Ministries	**3,000**
The Olive Branch (Faith in Action)	**2,500**
The Olive Branch (Faith in Action)	3,000
The Pantry, Fleetwood	**2,500**
The Pantry, Fleetwood	**3,000**
The Salvation Army Foodbank	**2,500**
The Salvation Army Foodbank	**3,000**
The Wellspring Stockport	**5,000**
The Wellspring Stockport	**2,000**
Trafford South Foodbank	2,500
Trafford Veterans	3,252
Triple C Liverpool	2,500

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2023

Urban Outreach	**5,000**
Urban Outreach	**2,000**
Village Centre Foodbank, Crawshawbooth	**2,500**
Wade Hall Foodbank	**3,000**
Wade Hall Foodbank, Leyland	**2,500**
Wesley's Larder	**2,500**
Wesley's Larder	**3,000**
West View Community Association	**2,500**
Westview Community Association	3,000
Yad Veachisomoch L'Chaim	**3,000**
Total of 93 grants each below £2,000 - Unrestricted	73,204
Toral of 68 grants each below £2,000 - Restricted	**99,100**
Returned grants or reductions in future commitments :	
Various	(15,000)
	689,343
Unrestricted	271,843
Restricted	**417,500**

RELIGIOUS CAUSES	£
Liverpool Anglican Cathedral	5,000
Liverpool Parish Church	5,000
Metropolitan Cathedral of Christ the King	5,000
Rangemore Church Bell	5,000
St Philips Parish Church Litherland	5,000
St Vincent de Paul Liverpool	5,000
The Fiends of St Marys	4,800
Total of 12 grants each below £2,000	9,152
Returned grants or reductions in future commitments :	
Various	-
	43,952

MISCELLANEOUS CAUSES	£
Dansworks Dance Academy of Performing Arts	5,000
Equalities & Justice North West	2,500
Roy Castle Lung Cancer Foundation	3,000
Total of 10 grants each below £2,000	6,500
Returned grants or reductions in future commitments :	
Various	-
	17,000
Total of grants made in the year	958,535

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF INVESTMENT PRINCIPLES

Background and purpose of portfolio
The Duchy of Lancaster Benevolent Fund supports charitable causes in the County Palatine of Lancaster and elsewhere in the UK, where the Duchy of Lancaster has historical connections.

Investment objectives
The minimum investment objective for the Fund's investment portfolio is to maintain the capital value of the Fund in real terms after inflation and distributions.

Distribution policy
It is the Trustees' policy to distribute investment income received in the investment portfolio on an annual basis. The level of distribution is reviewed regularly in light of changing market conditions to ensure that it is sustainable over the longer term. The current distribution rate has been set at 3.0% p.a., approximately £500,000 in money terms.

Total return target
The level of distributions from the Fund and the need to maintain the real value of capital and income from inflation imply a minimum total return target over the longer term for the investment portfolio of CPI inflation +3% p.a.

Time horizon
The time horizon for the investment portfolio is considered to be long term, reflecting the Fund's purpose. This is defined in investment terms as being over ten years.

Liquidity requirement
There is no requirement to hold a specific proportion of assets in cash or other short term asset classes but all investments should be in relatively liquid vehicles.

Ethical considerations
There are no specific constraints on the investment portfolio in terms of ethical, social or environmental (ESG) matters but the managers of the portfolio are expected to take ESG issues into consideration when assessing individual investments and actively engage with company management to improve their ESG

Risk tolerance
A reasonable level of capital volatility within the investment portfolio is acceptable given the Fund's long term time horizon and total return objectives but to limit capital and other risks in the investment portfolio, the portfolio should be well diversified across asset classes and individual investments.

Investment benchmark
To achieve the required return without taking excessive risk in the investment portfolio, the strategic asset allocation or neutral benchmark for the portfolio has been set with 45% in UK equities, 22.5% in overseas equities, 18% in bonds, 10% in property and 4.5% in cash.

Investment management arrangements
The Trustees will appoint investment managers to manage the assets of the portfolio in accordance with the principles set out in this statement and within the guidelines set down from time to time by the trustees. The Trustees will monitor the performance of the manager against the stated investment benchmark on a quarterly basis but it is anticipated that the manager will be given a period of minimum tenure of between three and five years.

Permitted asset classes, ranges and benchmark indices
The table below shows the strategic asset allocation and benchmark indices against which the managers' performance will be monitored. The table also shows the broad asset classes in which investment is permitted. Maximum and minimum ranges have been set to limit the overall risk within the portfolio.

Permitted asset classes, ranges and benchmark indices (continued)

Asset class	Benchmark %	Permitted range %	Benchmark indices
Cash	4.5	0-10	Sterling 7 day LIBOR
Bonds	18.0	10-35	FTSE All Stocks All Gilts Index
UK equities	45.0	-	FTSE All Share Index
Overseas equities	22.5	-	FTSE World ex UK Index
Total equities	67.5	45-80	
Property	10	5-15	MSCI UK Property Index
Total	100		Composite index

Currency and hedging
The Trust's liabilities are all in sterling and therefore the bulk of the portfolio should be held in sterling to avoid unnecessary currency risk. Non sterling exposure should be limited to 40%.

Restricted asset classes
There should be no investment in gold bullion and commodities nor in private equity vehicles.

Other restrictions

a. No direct holding is to exceed 1% of the issued share capital of a company without prior permission of the Trustees.

b. b. No acquisition should result in the relevant holding representing more than 5% of the value of the portfolio without prior consent of the Trustees, save in the case of a government security or managed fund. This does not preclude the retention of a holding that attains a value in excess of 5% of the Fund after purchase.

c. The manager must have the prior approval of the Trustees before:-
- Investing in non readily realisable investments;
- Effecting off-exchange transactions;
- Entering underwriting or sub-underwriting commitments;
- Using futures, options and other derivative products.

Approval to carry out any restricted activity may be given by one Trustee and the Secretary of the Fund upon receipt of a written recommendation from the manager. Any such approval must be reported to the trustees at their next meeting.

Review process
The Trustees will review the contents of this statement of investment principles on an annual basis and modify if it is deemed appropriate.

Last reviewed: November 2023

DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales - Charity number 1026752

Accounts

THE DUCHY OF LANCASTER BENEVOLENT FUND

Registered Charity Number 1026752

REPORT OF THE TRUSTEES

AND ACCOUNTS FOR THE YEAR

TO 31st MARCH 2022

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2022

1. Objects of the Trust

The objects of the Trust are to support charitable causes in:

- the County Palatine of Lancaster
- the administrative counties of Lancashire, Greater Manchester and Merseyside
- elsewhere in the country where the Duchy of Lancaster has historical links (such as landed interests and church livings).

Applications for grants should be addressed to the Secretary.

Donations from Her Late Majesty The Queen in Right of Her Duchy of Lancaster have been given to the Trust with the request that they are, for the time being, invested to provide an income to support the objects of the Trust. The Trustees have accordingly placed the donations into a separate investment fund, the Expendable Endowment Fund.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objectives which form the basis of this policy are given above.

2. Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objectives of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

3. Achievements and performance

The Trustees have reviewed and are content that the objectives of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objectives.

During the year the Trust has made or made future commitments to 272 grants totalling £594,007 (2021 : 367 grants totalling £1,090,386) as set out in Note 4 to the financial statements.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The aim of the charity is to distribute at least £500,000 in grants funded from the investment portfolio. If the portfolio is to generate income of circa £500,000 this implies a minimum initial yield target for the investment portfolio of 2.75%, whilst maintaining the capital value of the fund in real terms, after inflation and distributions. This target is below the minimum long term average total return target for the investment portfolio of RPI inflation +3% p.a. The portfolio generated £410,882 of investment income in the year and a transfer of £200,000 from the expendable endowment fund with expenditure on charitable activities of £620,122. This led to a decrease in the Unrestricted General Fund of £9,240 and carried forward balance of £26,214.

A grant of £100,000 is received from the Duchy of Lancaster every year toward the Expendable Endowment Fund, in 2021 a further £600,000 was received for enhanced donations during the Covid-19 pandemic.

4. Financial review

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Statement of Investment Principles set out on pages 20 and 21.

Over the year, the Trust's investment assets increased in value by £1,690,342 (10.24%).

During the year the investment income generated was £410,882 (2021 : £361,714).

5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and regularly reviewing the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the recipients of grants are known to and well understood by the Trustees who are able to assess the effectiveness that the grant making has. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the General Fund. At the year end the balance of the General Fund was a surplus of £26,214.

The Expendable Endowment fund had a balance of £18,378,816 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required.

7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

8. Structure, governance, management and administrative details

Governing Instrument

The Duchy of Lancaster Benevolent Fund was constituted on 29th September 1993 under a Trust Deed. The registered charity number is 1026752.

Trustees and principal officers

Trustees are appointed by the Chancellor of the Duchy of Lancaster, these were as follows:

Trustees:	Appointed	Retired
The Vice Chancellor of the County Palatine (Chairman) Hon. Mr. Justice Timothy Fancourt	30 October 2021	
The Vice Chancellor of the County Palatine (Chairman) Hon. Mr. Justice Richard Snowden		30 September 2021
The Attorney General of the Duchy of Lancaster Sonia Tolaney		
The Receiver General of the Duchy of Lancaster Sir Michael Stevens KCVO		
The Lord Lieutenant of Lancashire Lord Shuttleworth KG, KCVO		
The Lord Lieutenant of Greater Manchester Sir Warren Smith KCVO		4 July 2022
The Lord Lieutenant of Greater Manchester Diane Hawkins DLJP	4 July 2022	
The Lord Lieutenant of Merseyside Mr Mark Blundell		
Chief Finance Officer of the Duchy of Lancaster C.J. Adcock LVO		30 April 2021

Secretary:

Mr H. Bruce-Watt

8. **Structure, governance, management and administrative details (continued)**

The Trustees meet twice a year and make all major (£5,000 and over) grant making and investment decisions. Decisions on making other grants are delegated to 4 local panels based in Lancashire, Greater Manchester, Merseyside and London, which each meet around four times a year. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster.

Administration

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

Advisors

Bankers:	Coutts & Co. 440 Strand London WC2R OQS
Solicitors:	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Investment manager:	Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment custodian:	The Bank of New York 1 Canada Square London E14 5AL

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).

8. **Structure, governance, management and administrative details (continued)**

The law applicable to charities in England & 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 3RD NOVEMBER 2022 and signed on their behalf by

The Hon Mr Justice Timothy Fancourt
Chairman of the Trustees

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of the Duchy of Lancaster Benevolent Fund for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 March 2022 and of its incoming resources and application of resources 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 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 Auditors' 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 annual report, other than the financial statements and our auditors' report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or

Matters on which we are required to report by exception (continued)

- 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified (continued):

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES continued

Audit response to risks identified:
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date:

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2022

	Notes	Unrestricted General Fund £	Expendable Endowment Fund £	Total 2022 £	*Total 2021 £*
Income and endowments from:					
Endowments	2	-	100,000	100,000	700,000
Investments	3	410,882	-	410,882	*361,714*
Total		410,882	100,000	510,882	*1,061,714*
Expenditure on:					
Charitable activities	4	620,122	-	620,122	*1,116,733*
Total		620,122	-	620,122	*1,116,733*
Net gains/(losses) on investments	8	-	1,690,342	1,690,342	*2,545,187*
Net income/(expenditure)		(209,240)	1,790,342	1,581,102	*2,490,168*
Transfer between funds		200,000	(200,000)	-	-
Net movement in funds		(9,240)	1,590,342	1,581,102	*2,490,168*
Reconciliation of funds:					
Total funds brought forward		35,454	16,788,474	16,823,928	*14,333,760*
Total funds carried forward		26,214	18,378,816	18,405,030	*16,823,928*

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2021

	Notes	Unrestricted General Fund £	Expendable Endowment Fund £	Total 2021 £
Income and endowments from:				
Endowments	2	-	700,000	700,000
Investments	3	361,714	-	361,714
Total		361,714	700,000	1,061,714
Expenditure on:				
Charitable activities	4	1,116,733	-	1,116,733
Total		1,116,733	-	1,116,733
Net gains/(losses) on investments	8	-	2,545,187	2,545,187
Net income/(expenditure)		(755,019)	3,245,187	2,490,168
Transfer between funds		700,000	(700,000)	-
Net movement in funds		(55,019)	2,545,187	2,490,168
Reconciliation of funds:				
Total funds brought forward		90,473	14,243,287	14,333,760
Total funds carried forward		35,454	16,788,474	16,823,928

The notes on pages 12 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

BALANCE SHEET AT 31st MARCH 2022

	Notes	2022 £	*2021 £*
Fixed Assets			
Investments	7	18,195,019	*16,504,677*
Current Assets			
Debtors	9	14,164	*6,021*
Cash and deposits		269,927	400,382
		284,091	406,403
Creditors: amounts falling due within one year			
Grants and accrued expenses	11	(31,080)	*(80,652)*
Net Current Assets		253,011	*325,751*
Creditors: amounts falling due after one year			
Grants	11	(43,000)	*(6,500)*
Total Non-Current Liabilities		(43,000)	*(6,500)*
Net Assets		18,405,030	*16,823,928*
Capital Fund			
Expendable Endowment	12	18,378,816	*16,788,474*
Income Fund			
Unrestricted General Fund	12	26,214	*35,454*
		18,405,030	*16,823,928*

Approved by the Trustees on 3RD NOV 2022 and signed on their behalf by

The Hon Mr Justice Timothy Fancourt
Chairman of the Trustees

The notes on pages 12 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

CASH FLOW STATEMENT
FOR THE YEAR TO 31st MARCH 2022

	Notes	Total 2022 £	*Total 2021 £*
Cash outflow from operating activities	13	(541,337)	(438,450)
Cash flows from investing activities			
Dividends and interest		410,860	*361,592*
Interest		22	*122*
Sale of investments		-	-
Purchase of investments		-	-
Net cash inflow/(outflow) from investing activities		410,882	*361,714*
Change in cash and cash equivalents in the year		(130,455)	*(76,736)*
Cash and cash equivalents at start of year		400,382	477,118
Cash and cash equivalents at end of year		269,927	*400,382*

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2022

1. Accounting Policies

(a) Basis of Accounting
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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Income
Donations and interest from banks and Government securities are accounted for on an accruals basis. Dividends are accounted for when received.

(c) Grants
Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

(d) Governance costs
Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

(e) Taxation
The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

(f) Fixed Asset Investments
Fixed Asset investments are stated in the Balance Sheet at bid-price valuation.

(g) Expendable Endowment Fund
Donations from the Duchy of Lancaster have been invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

(h) Portfolio Manager Fees
The portfolio manager fees are taken from capital and offset in the unrealised (loss)/gain movement in note 8.

2. Endowments

	2022	*2021*
	£	*£*
The Duchy of Lancaster	100,000	*700,000*
Other donation	-	*-*
	100,000	*700,000*

3. Investment income

	2022	*2021*
	£	*£*
Quoted securities :		
Interest on fixed interest stocks and dividends on unit trusts	410,860	*361,592*
	410,860	*361,592*
Bank interest	22	*122*
	410,882	*361,714*

4. Charitable activities

	£	£	2022 £	*2021 £*
	Grants	Support and Governance costs	Total	*Total*
Youth and education	171,733	7,550	179,283	*187,586*
Handicapped, the elderly and infirm	91,150	4,007	95,157	*92,292*
Community help	277,868	12,216	290,084	*682,282*
Religious causes	48,756	2,144	50,900	*51,583*
Miscellaneous	4,500	198	4,698	*102,990*
	594,007	26,115	620,122	*1,116,733*

An analysis of grants made is shown on pages 16 to 19. Support costs are pro-rated across the activities.

The Trustees have expressed an intention to make the following future payments, subject to the receipt of sufficient income being received from investments:

- in 2022/23, £25,500 made up of 5 grants
- in 2023/24, £43,000 made up of 3 grants

These future payments have been accrued for in 2022.

5. Allocation of Support and Governance costs

	£	£	2022 £	*2021 £*
	Governance costs	Support costs	Total	
Auditors fees - for audit	5,580	-	5,580	*5,312*
Expenses of Trustees	-	-	-	-
Other administration costs	35	20,500	20,535	*21,035*
	5,615	20,500	26,115	*26,347*

Other administration costs principally consist of contributions towards office costs of the three Lords Lieutenancy offices and the Duchy of Lancaster Office together with costs of Trustees' meetings.

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster.

6 Trustee and Staff Costs

None of the Trustees received any remuneration during the year (2021 : £nil). Travel and meeting expenses incurred on behalf of 7 Trustees amounted to £nil (2021 : £nil, 7 Trustees). The charity has no directly employed staff.

7. Investments

	2022 £	*2021 £*
Quoted securities :		
Property Funds	1,691,649	*1,454,551*
Other Funds	16,503,371	*15,050,126*
	18,195,019	*16,504,677*

The historic cost of investments at 31st March 2022 was £13,739,870 (2021 : £13,808,791).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

8. Reconciliation of movement of investments

	2022	*2021*
	£	£
Quoted investments:		
Market value at 1st April 2021	16,504,677	13,959,490
Additions	-	-
Disposals	-	-
Net realised gain/(loss)	-	-
Net unrealised gain/(loss)	1,690,342	2,545,187
Market value at 31st March 2022	18,195,019	*16,504,677*

Included in net unrealised gain/(loss) is management fees of £59,960 (2021: £61,612).

9. Debtors

	2022	*2021*
	£	£
Other debtors	-	-
Deposit interest	6	11
Dividend income	14,157	6,010
	14,164	*6,021*

10. Related Parties

Certain of the Duchy of Lancaster Benevolent Fund's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Fund. The amount of such expenses relating to the year ended 31st March 2022 was £5,160 (2021 : £4,992).

The Duchy of Lancaster Benevolent Fund paid the following grants to charities with connections to the following trustees:

- Lord Shuttleworth is either a Patron, President or similar: The Lune Rivers Trust £500
- Sir Warren J. Smith is either a Patron, President or similar for: Manchester Cathedral £3,500 (2021: £nil), Francis House £5,000 (2021: £5,000), Henshaws £2,000 (2021: £nil), Hollinwood Scouts £5,000 (2021: £nil), The Proud Trust £2,000 (2021: £nil).
- Mr Mark Blundell is either as Patron, President or similar for: Barnstondale Centre £5,000 (2021: £nil), Sefton Council of Voluntary Services £5,000 (2021: £nil).
- Hon. Mr Justice Timothy Fancourt, Sonia Tolaney and Sir Michael Stevens who served in the year have no connections to any of the charities receiving grants.

11. Accruals

	2022	*2021*
	£	£
Audit	5,580	5,160
Administration	-	4,992
Grants - amounts falling due within one year	25,500	70,500
	31,080	*80,652*
Grants - amounts falling after one year	43,000	6,500
	74,080	*87,152*

12. Net assets by fund

	2022		*2021*	
	General Fund	Expendable endowment	*General Fund*	*Expendable endowment*
	£	£	£	£
Investments	-	18,195,019	-	*16,504,677*
Current assets	100,294	183,796	*122,606*	*283,797*
Current liabilities	(31,080)	-	*(80,652)*	-
Non-current liabilities	(43,000)	-	*(6,500)*	-
Net Assets	26,214	18,378,816	*35,454*	*16,788,474*

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2022

13. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2022	*2021*
	£	*£*
Net income/(expenditure) as per statement of financial activities	1,581,102	*2,490,168*
Adjusted for:		
Net (gains)/losses on investments	(1,690,342)	*(2,545,187)*
Investment income	(410,882)	*(361,714)*
(Increase)/decrease in receivables	(8,144)	*(1,953)*
(Decrease)/increase in payables	(13,072)	*(19,764)*
Net cash outflow from operating activities	(541,338)	*(438,450)*

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2022

YOUTH AND EDUCATION	£
Royal Lancaster Grammer School Bursary Fund	5,000
Molton College fee	5,000
Myerscough College	5,000
Harper Adams University Development Trust	5,000
Lancaster University Regional Heritage Trust	9,000
Lancaster Priory Organ Scholarship Bursary	3,000
Joss Searchlight	2,500
Friends of Thorneyholme School	4,943
Greater Manchester Youth Network	3,000
Hollinwood Scout Camp	5,000
The Hamlet	2,000
Centrepoint	5,000
Jewish Action for Mental Health	2,000
Contact Hostel	5,000
Special Educational Needs Families Support Group	2,000
J C Foundation Trust	2,000
Lancashire Outdoor Activities Initiative	5,000
Youth Zone Chorley	5,000
Youth Action Blackburn	5,000
Bishop of Burnley	3,000
The Belvidere Centre	3,660
Barnstondale Centre	5,000
15th Fairfield Scout Group	2,000
Team Oasis	5,000
The Power Foundation For Young People	3,500
Merseyside Community Training	4,000
Royal Liverpool Philharmonic Society	5,000
Shirdley Hill Guide Centre (Sefton Girlguides)	2,000
KIND	5,000
Conradh na Gaeilige Learpholl	3,367
Wirral Archaeology CIC	2,549
St Helens Young Carers Centre	2,500
North West Cancer Research (NWCR)	4,850
Wirral Youth Zone	3,900
Total of 22 grants each below £2,000	19,664
Returned grants or increase /(reductions) in future commitments :	
Various	16,300
	171,733

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2022

HANDICAPPED, ELDERLY AND INFIRM	£
Serve	3,000
Time Out Group	4,607
Disability Information Bureau	3,940
Francis House	5,000
Bolton Deaf Society	2,000
Henshaws	2,000
Speakeasy	2,000
Disability Snowsport	2,000
Jigsaw Bury	2,000
The FED	2,390
Stockdales	5,000
STUFF	2,000
LifeNow (Derian House Children's Hospice, Chorley)	5,000
CancerCare, North Lancashire & South Cumbria	2,475
Wheelpower	4,390
Vibe Liverpool CIC	2,640
Listening Books	3,000
Maggies Merseyside	5,000
St Joseph's Hospice	4,608
Friendship House Tenants Association	4,100
Julie Lawson CIC	5,000
Barnardo's	5,000
Canine Partners for Independence	3,000
Bloom Appeal	5,000
Total of 22 grants each below £2,000	16,000
Returned grants or reductions in future commitments :	
Various	(10,000)
	91,150

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2022

COMMUNITY HELP	£
Cloughton Bowling Club	2,000
Scarborough and Ryedale Mountain Rescue Team	4,605
Independance at Home	10,000
Tickhill Pavilion	3,500
The Monastery	5,000
The Halle	5,000
Rammy Men	2,000
ReflecTeen Hub	2,000
The Christie Charitable Fund	2,000
The Proud Trust	2,000
Wigan and Leigh Hospice	2,000
St Ann's Hospice	5,000
Barnabas	2,000
County Air Ambulance Trust HELP	2,000
CreateBolton	2,000
Out there Supporting families of prisoners	2,000
The John Rylands Library	5,000
HSP Helping to support people in need	5,000
Manchester Sikh foundation	5,000
The Boaz Trust	5,000
Yad Veachisomoch L'Chaim	5,000
The Wellspring Stockport	3,500
The Attic Project	3,500
Rochdale Foodbank	3,500
Urban Outreach	3,500
Lucie's pantry (Emmaus Salford)	3,500
Action Together	3,500
Fur Clemt	3,500
North West Air Ambulance	5,000
Didsbury Civic Society	2,000
Ivy Manchester LTd	2,000
Manchester Action on Street health	2,000
Timperley Amateur boxing club	2,000
Oldham Mountain Rescue	5,000
Fleetwood Trust	5,000
The Olive Branch (Faith in Action)	5,000
Inter Madrassah Organisation	5,000
Community Solutions North West Limited	5,000
Piccadilly Garden Limited	5,000
St John The Evangelist Church, Little Thornton	5,000
The Blackpool Foodbank	7,500
Community Solutions North West Limited Foodbank	7,500
Burnley FC in the Community Foodbank	5,000
The Salvation Army Foodbank	5,000
Preston Muslim Forum	5,000
Clayton Amateur Boxing Club	2,411
GrOwING WILD, Accrington	2,695
Thornley Community Space	4,750
Mellor & District Community Association	5,000
AF&V Launchpad Ltd	5,000
SHARe Knowsley	5,000
FareShare Merseyside	5,000
The First Step	5,000
Wirral Festival of Firsts	3,750
West Everton Community Council	4,300
Cherish (Reach and React)	4,000
St Helens Shed	2,050

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2022

Sefton Council of Voluntary Services	5,000
Syrian British Cultural Centre	2,000
Dingle Multi Agency Centre (DMAC)	2,500
Merseyside Water Rescue	2,000
Total of 79 grants each below £2,000	51,267
Returned grants or reductions in future commitments :	
Various	(14,460)
	277,868

RELIGIOUS CAUSES	£
St Mary's Priory Church Tutbury	4,500
Derbyshire Rural Chaplaincy	4,063
All Sants Parish Church	3,613
Manchester Cathedral	3,500
St Oswald's Netherton PCC	5,000
PCC of St James with St Matthews Eccleston	5,000
St Pauls Church Hatton Hill Litherland	4,980
Tuebrook Hope Group	4,000
Total of 19 grants each below £2,000	14,100
Returned grants or reductions in future commitments :	
Various	0
	48,756

MISCELLANEOUS CAUSES	£
Friends of the Harris Museum	5,000
Forward Trust (Brink Liverpool)	5,000
Total of 5 grants each below £2,000	3,000
Returned grants or reductions in future commitments :	
Various	(8,500)
	4,500
Total of grants made in the year	594,007

STATEMENT OF INVESTMENT PRINCIPLES

Background and purpose of portfolio
The Duchy of Lancaster Benevolent Fund supports charitable causes in the County Palatine of Lancaster and elsewhere in the UK, where the Duchy of Lancaster has historical connections.

Investment objectives
The minimum investment objective for the Fund's investment portfolio is to maintain the capital value of the Fund in real terms after inflation and distributions.

Distribution policy
It is the Trustees' policy to distribute investment income received in the investment portfolio on an annual basis. The level of distribution is reviewed regularly in light of changing market conditions to ensure that it is sustainable over the longer term. The current distribution rate has been set at 3.0% p.a., approximately £500,000 in money terms.

Total return target
The level of distributions from the Fund and the need to maintain the real value of capital and income from inflation imply a minimum total return target over the longer term for the investment portfolio of RPI inflation +3% p.a.

Time horizon
The time horizon for the investment portfolio is considered to be long term, reflecting the Fund's purpose. This is defined in investment terms as being over ten years.

Liquidity requirement
There is no requirement to hold a specific proportion of assets in cash or other short term asset classes but all investments should be in relatively liquid vehicles.

Ethical considerations
There are no specific constraints on the investment portfolio in terms of ethical, social or environmental (ESG) matters but the managers of the portfolio are expected to take ESG issues into consideration when assessing individual investments and actively engage with company management to improve their ESG

Risk tolerance
A reasonable level of capital volatility within the investment portfolio is acceptable given the Fund's long term time horizon and total return objectives but to limit capital and other risks in the investment portfolio, the portfolio should be well diversified across asset classes and individual investments.

Investment benchmark
To achieve the required return without taking excessive risk in the investment portfolio, the strategic asset allocation or neutral benchmark for the portfolio has been set with 45% in UK equities, 22.5% in overseas equities, 18% in bonds, 10% in property and 4.5% in cash.

Investment management arrangements
The Trustees will appoint investment managers to manage the assets of the portfolio in accordance with the principles set out in this statement and within the guidelines set down from time to time by the trustees. The Trustees will monitor the performance of the manager against the stated investment benchmark on a quarterly basis but it is anticipated that the manager will be given a period of minimum tenure of between three and five years.

Permitted asset classes, ranges and benchmark indices
The table below shows the strategic asset allocation and benchmark indices against which the managers' performance will be monitored. The table also shows the broad asset classes in which investment is permitted. Maximum and minimum ranges have been set to limit the overall risk within the portfolio.

Permitted asset classes, ranges and benchmark indices (continued)

Asset class	Benchmark %	Permitted range %	Benchmark indices
Cash	4.5	0-10	Sterling 7 day LIBOR
Bonds	18.0	10-35	FTSE All Stocks All Gilts Index
UK equities	45.0	-	FTSE All Share Index
Overseas equities	22.5	-	FTSE World ex UK Index
Total equities	67.5	45-80	
Property	10	5-15	MSCI UK Property Index
Total	100		Composite index

Currency and hedging

The Trust's liabilities are all in sterling and therefore the bulk of the portfolio should be held in sterling to avoid unnecessary currency risk. Non sterling exposure should be limited to 40%.

Restricted asset classes

There should be no investment in gold bullion and commodities nor in private equity vehicles.

Other restrictions

a. No direct holding is to exceed 1% of the issued share capital of a company without prior permission of the Trustees.

b. b. No acquisition should result in the relevant holding representing more than 5% of the value of the portfolio without prior consent of the Trustees, save in the case of a government security or managed fund. This does not preclude the retention of a holding that attains a value in excess of 5% of the Fund after purchase.

c. The manager must have the prior approval of the Trustees before:-

- Investing in non readily realisable investments;
- Effecting off-exchange transactions;
- Entering underwriting or sub-underwriting commitments;
- Using futures, options and other derivative products.

Approval to carry out any restricted activity may be given by one Trustee and the Secretary of the Fund upon receipt of a written recommendation from the manager. Any such approval must be reported to the trustees at their next meeting.

Review process

The Trustees will review the contents of this statement of investment principles on an annual basis and modify if it is deemed appropriate.

Last reviewed: November 2022

DUCHY OF LANCASTER BENEVOLENT FUND

England & Wales - Charity number 1026752

Accounts

THE DUCHY OF LANCASTER BENEVOLENT FUND

Registered Charity Number 1026752

REPORT OF THE TRUSTEES

AND ACCOUNTS FOR THE YEAR

TO 31st MARCH 2021

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2021

1. Objects of the Trust

The objects of the Trust are to support charitable causes in:

- the County Palatine of Lancaster
- the administrative counties of Lancashire, Greater Manchester and Merseyside
- elsewhere in the country where the Duchy of Lancaster has historical links (such as landed interests and church livings).

Applications for grants should be addressed to the Secretary.

Donations from Her Majesty The Queen in Right of Her Duchy of Lancaster are given to to the Trust and invested to provide an income to support the objects of the Trust.

During the year ended 31 March 2021, the Trust received an enhanced level of donations from the Duchy of Lancaster, £700,000, to provide immediate support to those in need during the COVID-19 pandemic. These amounts were not invested but rather were immediately made available for the purposes of making grants.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objectives which form the basis of this policy are given above.

2. Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objectives of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

3. Achievements and performance

The Trustees have reviewed and are content that the objectives of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objectives.

During the year the Trust has made or made future commitments to 367 grants totalling £1,090,386 (2020 : 313 grants totalling £533,239) as set out in Note 4 to the financial statements.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The investment aim is for the portfolio to generate income and sustainable capital returns to distribute circa £500,000 per annum whilst maintaining the capital value of the fund in real terms, after inflation and distributions. The portfolio generated £361,714 of investment income during the year, the income generated being significantly reduced by the impact on business and the economy of the COVID-19 pandemic.

The whole of the enhanced donation of £700,000 received from the Duchy of Lancaster for the year (normally £100,000 per annum) was made immediately available with the investment income above to meet grants and other expenditure totalling £1,116,733

4. Financial review

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Statement of Investment Principles set out on pages 22 and 23.

Over the year, the Trust's investment assets increased in value by £2,545,187 (18.23%).

During the year the investment income generated was £361,714 (2020 : £477,900).

5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and regularly reviewing the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the recipients of grants are known to and well understood by the Trustees who are able to assess the effectiveness that the grant making has. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the General Fund. At the year end the balance of the General Fund was a surplus of £35,454.

The Expendable Endowment fund had a balance of £16,788,474 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required.

7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

8. Structure, governance, management and administrative details

Governing Instrument

The Duchy of Lancaster Benevolent Fund was constituted on 29th September 1993 under a Trust Deed. The registered charity number is 1026752.

Trustees and principal officers

Trustees are appointed by the Chancellor of the Duchy of Lancaster, these were as follows during the year:

Trustees:	Appointed	Retired
The Vice Chancellor of the County Palatine (Chairman)		
Hon. Mr. Justice Timothy Fancourt QC	1 October 2021	
Hon. Mr. Justice Richard Snowden		31 August 2021
The Attorney General of the Duchy of Lancaster		
S.Tolaney QC	30 October 2020	
R.J. Miles QC		21 April 2020
The Receiver General of the Duchy of Lancaster		
Sir Michael Stevens KCVO		
Chief Finance Officer of the Duchy of Lancaster		
C.J. Adcock LVO		
The Lord Lieutenant of Lancashire		
Lord Shuttleworth KG, KCVO		
The Lord Lieutenant of Greater Manchester		
Sir Warren Smith KCVO		
The Lord Lieutenant of Merseyside		
Mr Mark Blundell		

Secretary:

Mr H. Bruce-Watt

8. Structure, governance, management and administrative details (continued)

The Trustees meet twice a year and make all major (£5,000 and over) grant making and investment decisions. Decisions on making other grants are delegated to 4 local panels based in Lancashire, Greater Manchester, Merseyside and London, which each meet around four times a year. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster.

Administration

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

Advisors

Bankers:	Coutts & Co. 440 Strand London WC2R OQS
Solicitors:	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Investment manager:	Newton Investment Management Ltd 160 Queen Victoria Street London EC4V 4LA
Investment custodian:	The Bank of New York 1 Canada Square London E14 5AL

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).

8. Structure, governance, management and administrative details (continued)

The law applicable to charities in England & 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 4 November 2021 and signed on their behalf by



Hon. Mr. Justice Timothy Fancourt QC
Chairman of the Trustees

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of the Duchy of Lancaster Benevolent Fund for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 March 2021 and of its incoming resources and application of resources 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 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 annual report, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES continued

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:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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.

Responsibilities of trustees
As explained more fully in the Trustees' Responsibilities Statement set out on page 5, 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.

Auditors' responsibilities for the audit of the financial statements
We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES continued

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 24 January 2022

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2021

	Notes	Unrestricted General Fund £	Expendable Endowment Fund £	Total 2021 £	*Total 2020 £*
Income and endowments from:					
Endowments	2	-	700,000	700,000	100,000
Investments	3	361,714	-	361,714	*477,900*
Total		361,714	700,000	1,061,714	*577,900*
Expenditure on:					
Charitable activities	4	1,116,733	-	1,116,733	*560,590*
Total		1,116,733	-	1,116,733	*560,590*
Net gains/(losses) on investments	8	-	2,545,187	2,545,187	*(1,360,922)*
Net income/(expenditure)		(755,019)	3,245,187	2,490,168	*(1,343,612)*
Transfer between funds		700,000	(700,000)	-	-
Net movement in funds		(55,019)	2,545,187	2,490,168	*(1,343,612)*
Reconciliation of funds:					
Total funds brought forward		90,473	14,243,287	14,333,760	*15,677,372*
Total funds carried forward		35,454	16,788,474	16,823,928	*14,333,760*

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2020

	Notes	Unrestricted General Fund £	Expendable Endowment Fund £	Total 2020 £
Income and endowments from:				
Endowments	2	-	100,000	100,000
Investments	3	477,900	-	477,900
Total		477,900	100,000	577,900
Expenditure on:				
Charitable activities	4	560,590	-	560,590
Total		560,590	-	560,590
Net gains/(losses) on investments	8	-	(1,360,922)	(1,360,922)
Net income/(expenditure)		(82,690)	(1,260,922)	(1,343,612)
Transfer between funds		-	-	-
Net movement in funds		(82,690)	(1,260,922)	(1,343,612)
Reconciliation of funds:				
Total funds brought forward		173,163	15,504,209	15,677,372
Total funds carried forward		90,473	14,243,287	14,333,760

The notes on pages 12 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

BALANCE SHEET AT 31st MARCH 2021

	Notes	2021 £	*2020 £*
Fixed Assets			
Investments	7	16,504,677	*13,959,490*
Current Assets			
Debtors	9	6,021	*4,068*
Cash and deposits		400,382	477,118
		406,403	481,186
Creditors: amounts falling due within one year			
Grants and accrued expenses	11	(80,652)	*(71,916)*
Net Current Assets		325,751	*409,270*
Creditors: amounts falling due after one year			
Grants	11	(6,500)	*(35,000)*
Total Non-Current Liabilities		(6,500)	*(35,000)*
Net Assets		16,823,928	*14,333,760*
Capital Fund			
Expendable Endowment	12	16,788,474	*14,243,287*
Income Fund			
Unrestricted General Fund	12	35,454	*90,473*
		16,823,928	*14,333,760*

Approved by the Trustees on 4 November 2021 and signed on their behalf by



Hon. Mr. Justice Timothy Fancourt QC
Chairman of the Trustees

The notes on pages 12 to 15 form part of these accounts.

THE DUCHY OF LANCASTER BENEVOLENT FUND

CASH FLOW STATEMENT
FOR THE YEAR TO 31st MARCH 2021

	Notes	Total 2021 £	*Total 2020 £*
Cash generated from operating activities	13	(438,450)	(384,510)
Cash flows from investing activities			
Dividends and interest		361,592	*477,035*
Interest		122	*865*
Sale of investments		-	-
Purchase of investments		-	-
Net cash inflow/(outflow) from investing activities		361,714	*477,900*
Change in cash and cash equivalents in the year		(76,736)	*93,390*
Cash and cash equivalents at start of year		477,118	383,728
Cash and cash equivalents at end of year		400,382	*477,118*

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2021

1. Accounting Policies

(a) Basis of Accounting
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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Income
Donations and interest from banks and Government securities are accounted for on an accruals basis. Dividends are accounted for when received.

(c) Grants
Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

(d) Governance costs
Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

(e) Taxation
The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

(f) Fixed Asset Investments
Fixed Asset investments are stated in the Balance Sheet at bid-price valuation.

(g) Expendable Endowment Fund
Donations from the Duchy of Lancaster have been invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

(h) Portfolio Manager Fees
The portfolio manager fees are taken from capital and offset in the unrealised (loss)/gain movement in note 8.

2. Endowments

	2021	*2020*
	£	*£*
The Duchy of Lancaster	700,000	*100,000*
Other donation	-	*-*
	700,000	*100,000*

3. Investment income

	2021	*2020*
	£	*£*
Quoted securities :		
Interest on fixed interest stocks and unit trusts	361,592	*477,035*
	361,592	*477,035*
Bank interest	122	*865*
	361,714	*477,900*

4. Charitable activities

	£	£	2021 £	*2020 £*
	Grants	Support and Governance costs	Total	*Total*
Youth and education	183,160	4,426	187,586	*150,430*
Handicapped, the elderly and infirm	90,115	2,177	92,292	*86,048*
Community help	666,185	16,097	682,282	*253,229*
Religious causes	50,366	1,217	51,583	*36,380*
Miscellaneous	100,560	2,430	102,990	*34,503*
	1,090,386	26,347	1,116,733	*560,590*

An analysis of grants made is shown on pages 16 to 21. Support costs are pro-rated across the activities.

The Trustees have expressed an intention to make the following future payments, subject only to the receipt of sufficient income being received from investments:

- in 2021/22, £70,500 made up of 13 grants
- in 2022/23, £6,500 made up of 2 grants

These future payments have been accrued for in 2021.

5. Allocation of Support and Governance costs

	£	£	2021 £	*2020 £*
	Governance costs	Support costs	Total	*Total*
Auditors fees - for audit	5,312	-	5,312	*4,800*
Expenses of Trustees	-	-	-	*1,516*
Other administration costs	35	21,000	21,035	*21,035*
	5,347	21,000	26,347	*27,351*

Other administration costs principally consist of contributions towards office costs of the three Lords Lieutenancy offices and the Duchy of Lancaster Office together with costs of Trustees' meetings.

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster.

6. Trustee and Staff Costs

None of the Trustees received any remuneration during the year (2020 : £nil). Travel and meeting expenses incurred on behalf of 7 Trustees amounted to £0 (2020 : £1,516, 7 Trustees). The charity has no directly employed staff.

7. Investments

	2021 £	*2020 £*
Quoted securities :		
Property Funds	1,454,551	*1,515,014*
Other Funds	15,050,126	*12,444,476*
	16,504,677	*13,959,490*

The historic cost of investments at 31st March 2021 was £9,313,232 (2020 : £9,313,232).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2021

8. Reconciliation of movement of investments

	2021	*2020*
	£	£
Quoted investments:		
Market value at 1st April 2020	13,959,490	15,320,412
Additions	-	-
Disposals	-	-
Net realised gain/(loss)	-	-
Net unrealised gain/(loss)	2,545,187	(1,360,922)
Market value at 31st March 2021	16,504,677	*13,959,490*

Included in net unrealised gain/(loss) is management fees of £61,612 (2020: £63,865).

9. Debtors

	2021	*2020*
	£	£
Other debtors	-	-
Deposit interest	11	332
Dividend income	6,010	3,736
	6,021	*4,068*

10. Related Parties

Certain of the Duchy of Lancaster Benevolent Fund's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Fund. The amount of such expenses relating to the year ended 31st March 2021 was £4,992 (2020 : £6,316).

The Duchy of Lancaster Benevolent Fund paid the following grants to charities with connections to the following trustees:

- Lord Shuttleworth is either a Patron, President or similar for: Rosemere Cancer Foundation £5,000, Community Foundation for Lancashire £5,500, Star Academies Trust £9,000
- Sir Warren J. Smith is either a Patron, President or similar for: Broughton House £10,000 (2020: £5,000), Emerge 3rs £10,000 (2020: £3,000), St Ann's Hospice (2020: £2,000), Mustard Tree £5,000 (2020:£5,000), Walking with the Wounded (2020:£2,000), Walthew House £2,000 (2020: £2,000), Emerge Fareshare £20,000, Francis House £5,000.

11. Accruals

	2021	*2020*
	£	£
Audit	5,160	9,400
Administration	4,992	7,516.00
Grants - amounts falling due within one year	70,500	55,000
	80,652	*71,916*
Grants - amounts falling after one year	6,500	35,000
	87,152	*106,916*

12. Net assets by fund

	2021		*2020*	
	General Fund	Expendable endowment	*General Fund*	*Expendable endowment*
	£	£	£	£
Investments	-	16,504,677	-	*13,959,490*
Current assets	122,606	283,797	*197,389*	*283,797*
Current liabilities	(80,652)	-	*(71,916)*	-
Non-current liabilities	(6,500)	-	*(35,000)*	-
Net Assets	35,454	16,788,474	*90,473*	*14,243,287*

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 2021

13. Reconciliation of net income/expenditure to net cash inflow from operating activities

	2021	*2020*
	£	*£*
Net income/expenditure as per statement of financial activities	2,490,168	*(1,343,612)*
Adjusted for:		
Net (gains)/losses on investments	(2,545,187)	*1,360,922*
Investment income	(361,714)	*(477,900)*
(Increase)/decrease in receivables	(1,953)	*264*
(Decrease)/increase in payables	(19,764)	*75,816*
Net cash outflow from operating activities	(438,450)	*(384,510)*

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

YOUTH AND EDUCATION	£
N-GAGE	2,000
Challenge4Change	2,000
Prevent 2 Protect	2,000
Harmony Youth Project	2,000
Caudwell Children	2,000
Blackpool Music School	2,500
KIND Charity	3,000
Barnardo's Children's Charity	3,000
City of Liverpool Sea Cadets	3,000
KIND Charity	3,000
Opportunity Sports Foundation	3,000
Morecambe Bay Community Primary School	3,000
Padiham County Primary School	3,000
Eldon County Primary School	3,000
Together Trust	3,000
Lancaster Priory Organ Scholarship Bursary	3,000
The Yellow House	3,224
Morecambe Bay Academy School Fund	4,000
Devonshire Primary Academy	4,000
Little Digmoor Primary School Fund	4,000
Old Roan Pre School	4,111
The Wingate Special Children's Trust	4,750
Ibijoke Children Foundation - Kensington	4,800
Edge Hill Youth and Community Centre	5,000
Imaginarium Theatre - Prescot	5,000
Shaftesbury Youth Club	5,000
Blackburn Youth Zone	5,000
Kids Out UK	5,000
Fishwick Rangers Youth & Community Development Scheme	5,000
St Thomas' Church	5,000
42nd Street	5,000
Wood Street Mission	5,000
Royal Lancaster Grammer SchoolBursary Fund	5,000
Molton College fee	5,000
Myerscough Collage	5,000
Harper Adams University Development Trust	5,000
Star Academies	9,000
Lancaaster University Regional Heritage Trust	9,000
Total of 38 grants each below £2,000	21,925
Returned grants or reductions in future commitments :	
Various	(5,150)
	171,160

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

HANDICAPPED, ELDERLY AND INFIRM	£
Target Ovarian Cancer	2,000
Hallgate House Project	2,000
Walthew House	2,000
East Manchester community Boat project	2,000
The Joshua Wilson Brain Tumour	2,000
L'Arche Manchester	2,000
Caudwell Children	2,000
Autism Initiatives	2,436
Crossroads Care North West	2,500
The Back-Up Trust	3,000
Hearing dogs for deaf people	3,000
St Helens Carers Centre	4,000
Bipolar UK Ltd	4,048
Dobson Court Tenants Association	4,260
Deafbind UK	5,000
Woodlands Hospice Charitable Trust	5,000
St Joseph's Hospice	5,000
Claire House Children's Hospice	5,000
Newton Community Centre	5,000
All Together Now	5,000
Pukar Disability	5,000
Rosemere Cancer Foundation	5,000
Francis House	5,000
Total of 21 grants each below £2,000	18,221
Returned grants or reductions in future commitments :	
Various	(350)
	100,115

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

COMMUNITY HELP	£
Whitechapel Centre	2,000
More Music in Morecambe	2,000
Spacious Place	2,000
Asylum & Refugee Community	2,000
St Michael's Church,	2,000
Hollinshead Centre (Open Kitchen)	2,000
Hope Church	2,000
Light Church	2,000
Haslingden Community Link	2,000
Village Centre Crawshawbooth	2,000
Wade Hall Foodbank	2,000
Ormskirk Food Bank	2,000
West View Community Association	2,000
Revitalise	2,000
Lucies Pantry	2,000
Cracking good Takeover	2,000
Depaul UK	2,000
Baby basics Bolton and bury	2,000
Friends of The Tame Valley	2,000
Cloughton Village Group Mosaic Fund	2,000
Friends of Kirkby Gallery	2,200
Daisy Inclusive UK	2,500
Big Help Project (Knowsley)	2,500
Tranmere Rovers in the Community	2,500
Everton and Anfield Together (EAT)	2,500
High Sheriff Fundraising Appeal - Air Ambulance	2,500
West Lancashire Debt Advice Service	2,500
Blackpool Foodbank	2,500
Hisprovision4 Blackpool	2,500
Ecumenical Centre	2,500
Cloughton Village History Group Mosaic Fund	2,500
Cloughton Village History Group - Mosaic Fund	2,500
The Church on the Streeet Ministries	3,000
Share It, Ingol	3,000
Church & Oswaldtwistle Cricket Club	3,000
Coffee4Craig	3,000
Willow Wood Hospice	3,000
Bolton Hospice	3,000
Willow Hey Community Project	3,000
Rooley Moor	3,000
Mersey Counselling and Therapy Centre	3,140
Marine in the Community	3,454
Octagon Theatre	3,500
Burnley FC in the Community	4,000
Health Equalities Group	4,460
Blackburn Youth Zone	4,500
Autism Inclusive	4,500
Rossendale Trust Ltd	4,750
Carried forward	126,004

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

COMMUNITY HELP continued	£
Brought forward	126,004
St Michaels Hospice	4,950
Women's Health and Information Centre Bold St	5,000
New Ferry Butterfly Park	5,000
La Salle Hotel School Liverpool	5,000
Rotary Club/Wirral Women and Children's Aid	5,000
Dovecot and Princess Drive Community Association	5,000
Action on Addiction	5,000
The CPR Group	5,000
St James in the City - Love Your Neighbour Food Project	5,000
Caring Connections	5,000
Home-Start in East Lancashire	5,000
The Olive Branch,	5,000
Read & Simonstone	5,000
Community Solutions	5,000
St Thomas the Martyr PCC, Up Holland	5,000
Valley Heritage	5,000
St Thomas' Church	5,000
Salvation Army	5,000
Morecambe Food Bank	5,000
The Fleetwood Trust	5,000
The Pantry, Fleetwood	5,000
Church on the Street Ministries	5,000
Blackburn Youth Zone	5,000
The Olive Branch (Faith in Action)	5,000
Maundy Relief Trust	5,000
Morecambe Bay Foodbank	5,000
CancerCare	5,000
Inspiring Grace	5,000
Nelson Community Mosque	5,000
Preston Community Hub Foodbank	5,000
Plungington Community Centre	5,000
Friends of the Freedom Centre	5,000
Broughton House	5,000
John Rylands Library	5,000
The Wellspring Stockport	5,000
Fortalice	5,000
The Booth Centre	5,000
Mustard Tree	5,000
Centrepoint	5,000
Barnabus	5,000
Urban Outreach	5,000
Fur Clemt	5,000
Destitution Project	5,000
The Monastery Manchester	5,000
RHS Bridgewater Gardens	5,000
Broughton House	5,000
Hope for Justice	5,000
Furclemt	5,000
Urban Outeach Bolton	5,000
Action together Oldham	5,000
Action Together Rochdale	5,000
Action Together Tameside	5,000
Carried forward	385,954

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

COMMUNITY HELP continued	£
Brought forward	385,954
Halle	5,000
Centrepoint	5,000
North West Air Ambulance	5,000
Community Foundations for Lancashire and Merseyside	5,500
Nightsafe	7,000
VCFS Crisis Response Food Group	8,000
Blackpool Food Bank	10,000
Star Academies Family Food Bank	10,000
The Bread and Butter Thing	10,000
ActionTogether	10,000
Emerge 3RS	10,000
Independance at Home	10,000
Emerge Fareshare	20,000
UK Community Foundations	99,000
Total of 109 grants each below £2,000	72,631
Returned grants or reductions in future commitments :	
Various	(1,900)
	671,185

RELIGIOUS CAUSES	£
The Church Army	2,000
Church Homeless Trust	3,500
Faiths4Change	3,518
Emmanuel Baptist Church Netherton	3,850
Draycott in the Clay Parish Councill	4,250
Micah Liverpool	5,000
St Gabriel's Church Huyton	5,000
Wirral Churches Ark	5,000
Parish Church of St Anne and St Paul Stoneycroft	5,000
St James in the City	5,000
Holy Trinity Parr Mount St Helens	5,000
Capstone Project - St Helens Baptist Church	5,000
Total of 14 grants each below £2,000	8,248
Returned grants or reductions in future commitments :	
Various	0
	60,366

THE DUCHY OF LANCASTER BENEVOLENT FUND

GRANTS MADE IN THE YEAR ENDED 31st MARCH 2021

MISCELLANEOUS CAUSES	£
Merseyside Water Rescue	2,000
Merseyside Lowland Search and Rescue	2,500
SSAFA Merseyside	2,500
Sahir House - Dale St	3,860
Maggies Merseyside	5,000
Maggies Merseyside	5,000
Team Rubicon / Re: ACT Diaster Relief	5,000
Hooves for Healing	5,000
Moulana Community CIC	5,000
ABF The Soldiers Charity	5,000
Shakespeare North Trust (Cripps LLP Client)	5,000
Preston Muslim Forum	5,000
COVID Support Various	52,500
Total of 4 grants each below £2,000	3,350
Returned grants or reductions in future commitments :	
Various	(6,150)
	100,560
Total of grants made in the year detailed above	**1,103,386**
Add accrual for future grants at 31 March 2021	77,000
Less accrual for future grants at 31 march 2020	(90,000)
Grants accounted for per note 4 to the accounts	**1,090,386**

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF INVESTMENT PRINCIPLES

Background and purpose of portfolio
The Duchy of Lancaster Benevolent Fund supports charitable causes in the County Palatine of Lancaster and elsewhere in the UK, where the Duchy of Lancaster has historical connections.

Investment objectives
The minimum investment objective for the Fund's investment portfolio is to maintain the capital value of the Fund in real terms after inflation and distributions.

Distribution policy
It is the Trustees' policy to distribute investment income received in the investment portfolio on an annual basis. The level of distribution is reviewed regularly in light of changing market conditions to ensure that it is sustainable over the longer term. The current distribution rate has been set at 3.0% p.a., approximately £500,000 in money terms.

Total return target
The level of distributions from the Fund and the need to maintain the real value of capital and income from inflation imply a minimum total return target for the investment portfolio of RPI inflation +3% p.a.

Time horizon
The time horizon for the investment portfolio is considered to be long term, reflecting the Fund's purpose. This is defined in investment terms as being over ten years.

Liquidity requirement
There is no requirement to hold a specific proportion of assets in cash or other short term asset classes but all investments should be in relatively liquid vehicles.

Ethical considerations
There are no specific constraints on the investment portfolio in terms of ethical, social or environmental (ESG) matters but the managers of the portfolio are expected to take ESG issues into consideration when assessing individual investments and actively engage with company management to improve their ESG

Risk tolerance
A reasonable level of capital volatility within the investment portfolio is acceptable given the Fund's long term time horizon and total return objectives but to limit capital and other risks in the investment portfolio, the portfolio should be well diversified across asset classes and individual investments.

Investment benchmark
To achieve the required return without taking excessive risk in the investment portfolio, the strategic asset allocation or neutral benchmark for the portfolio has been set with 45% in UK equities, 22.5% in overseas equities, 18% in bonds, 10% in property and 4.5% in cash.

Investment management arrangements
The Trustees will appoint investment managers to manage the assets of the portfolio in accordance with the principles set out in this statement and within the guidelines set down from time to time by the trustees. The Trustees will monitor the performance of the manager against the stated investment benchmark on a quarterly basis but it is anticipated that the manager will be given a period of minimum tenure of between three and five years.

Permitted asset classes, ranges and benchmark indices
The table below shows the strategic asset allocation and benchmark indices against which the managers' performance will be monitored. The table also shows the broad asset classes in which investment is permitted. Maximum and minimum ranges have been set to limit the overall risk within the portfolio.

Permitted asset classes, ranges and benchmark indices (continued)

Asset class	Benchmark %	Permitted range %	Benchmark indices
Cash	4.5	0-10	Sterling 7 day LIBOR
Bonds	18.0	10-35	FTSE All Stocks All Gilts Index
UK equities	45.0	-	FTSE All Share Index
Overseas equities	22.5	-	FTSE World ex UK Index
Total equities	67.5	45-80	
Property	10	5-15	MSCI UK Property Index
Total	100		Composite index

Currency and hedging

The Trust's liabilities are all in sterling and therefore the bulk of the portfolio should be held in sterling to avoid unnecessary currency risk. Non sterling exposure should be limited to 40%.

Restricted asset classes

There should be no investment in gold bullion and commodities nor in private equity vehicles.

Other restrictions

a. No direct holding is to exceed 1% of the issued share capital of a company without prior permission of the Trustees.

b. b. No acquisition should result in the relevant holding representing more than 5% of the value of the portfolio without prior consent of the Trustees, save in the case of a government security or managed fund. This does not preclude the retention of a holding that attains a value in excess of 5% of the Fund after purchase.

c. The manager must have the prior approval of the Trustees before:-
- Investing in non readily realisable investments;
- Effecting off-exchange transactions;
- Entering underwriting or sub-underwriting commitments;
- Using futures, options and other derivative products.

Approval to carry out any restricted activity may be given by one Trustee and the Secretary of the Fund upon receipt of a written recommendation from the manager. Any such approval must be reported to the trustees at their next meeting.

Review process

The Trustees will review the contents of this statement of investment principles on an annual basis and modify if it is deemed appropriate.

Last reviewed: November 2019