

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

CONTENTS

1	REPORT OF THE TRUSTEES
4	INDEPENDENT AUDITOR'S REPORT
7	STATEMENT OF FINANCIAL ACTIVITIES
8	BALANCE SHEET
9	CASH FLOW STATEMENT
10	NOTES TO THE ACCOUNTS
14	GRANTS MADE IN THE YEAR
18	STATEMENT OF INVESTMENT PRINCIPLES

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.

THE DUCHY OF LANCASTER BENEVOLENT FUND

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

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:

<u>Trustees:</u>	<u>Appointed</u>	<u>Retired</u>
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

THE DUCHY OF LANCASTER BENEVOLENT FUND

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

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

THE DUCHY OF LANCASTER BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES continued

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.

THE DUCHY OF LANCASTER BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES continued

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
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		<u>493,338</u>	<u>900,000</u>	<u>100,000</u>	<u>1,493,338</u>	<u>938,089</u>
Expenditure on:						
Raising Funds	8	72,345	-	-	72,345	70,672
Charitable activities	4	627,912	902,500	-	1,530,412	988,144
Total		<u>700,257</u>	<u>902,500</u>	<u>-</u>	<u>1,602,757</u>	<u>1,058,816</u>
Net gains/(losses) on investments	8	-	-	1,119,362	1,119,362	(300,690)
Net (expenditure)/income		<u>(206,919)</u>	<u>(2,500)</u>	<u>1,219,362</u>	<u>1,009,943</u>	<u>(421,417)</u>
Transfer between funds		<u>220,000</u>	<u>-</u>	<u>(220,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>13,081</u>	<u>(2,500)</u>	<u>999,362</u>	<u>1,009,943</u>	<u>(421,417)</u>
Reconciliation of funds:						
Total funds brought forward		<u>2,987</u>	<u>2,500</u>	<u>17,978,126</u>	<u>17,983,613</u>	<u>18,405,030</u>
Total funds carried forward		<u>16,068</u>	<u>-</u>	<u>18,977,488</u>	<u>18,993,556</u>	<u>17,983,613</u>

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		<u>418,089</u>	<u>420,000</u>	<u>100,000</u>	<u>938,089</u>
Expenditure on:					
Raising Funds	8	70,672	-	-	70,672
Charitable activities	4	570,644	417,500	-	988,144
Total		<u>641,316</u>	<u>417,500</u>	<u>-</u>	<u>1,058,816</u>
Net (losses)/gains on investments	8	-	-	(300,690)	(300,690)
Net (expenditure)/income		<u>(223,227)</u>	<u>2,500</u>	<u>(200,690)</u>	<u>(421,417)</u>
Transfer between funds		<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net movement in funds		<u>(23,227)</u>	<u>2,500</u>	<u>(400,690)</u>	<u>(421,417)</u>
Reconciliation of funds:					
Total funds brought forward		<u>26,214</u>	<u>-</u>	<u>18,378,816</u>	<u>18,405,030</u>
Total funds carried forward		<u>2,987</u>	<u>2,500</u>	<u>17,978,126</u>	<u>17,983,613</u>

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

Approved by the Trustees on 5 May 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

		Total	Total
	Notes	2024 £	2023 £
Cash outflow from operating activities	14	<u>(489,721)</u>	<u>(485,248)</u>
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		<u>493,338</u>	<u>418,089</u>
Change in cash and cash equivalents in the year		3,617	(67,159)
Cash and cash equivalents at start of year		<u>202,766</u>	<u>269,925</u>
Cash and cash equivalents at end of year		<u>206,383</u>	<u>202,766</u>
Cash comprises:			
Cash at bank		<u>206,383</u>	<u>202,766</u>

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
	<u>1,000,000</u>	<u>520,000</u>

THE DUCHY OF LANCASTER BENEVOLENT FUND

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

3. Investment income	2024	2023
	£	£
Quoted securities :		
Interest on fixed interest stocks and dividends on unit trusts	488,741	417,300
	<u>488,741</u>	<u>417,300</u>
Bank interest	4,597	789
	<u>493,338</u>	<u>418,089</u>

4. Charitable activities	Unrestricted General Funds		Restricted Funds	2024	2023
	£	£	£	£	£
		Support and Governance costs			
	Grants		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
	<u>594,649</u>	<u>33,263</u>	<u>902,500</u>	<u>1,530,412</u>	<u>988,144</u>

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	£	£
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
	<u>33,076</u>	<u>187</u>	<u>33,263</u>	<u>29,609</u>

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.

THE DUCHY OF LANCASTER BENEVOLENT FUND

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

7. Investments	2024	2023
	£	£
Quoted securities :		
Property Funds	1,339,102	1,429,265
Other Funds	17,531,572	16,394,392
	<u>18,870,674</u>	<u>17,823,657</u>

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	<u>18,870,674</u>	<u>17,823,657</u>

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
	<u>6,459</u>	<u>6,730</u>

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).

THE DUCHY OF LANCASTER BENEVOLENT FUND

**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	<u>51,000</u>	<u>19,000</u>
	57,960	25,540
Grants - amounts falling after one year	<u>32,000</u>	<u>24,000</u>
	<u><u>89,960</u></u>	<u><u>49,540</u></u>

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	<u>(32,000)</u>	-	-
Net Assets	<u><u>16,068</u></u>	<u><u>-</u></u>	<u><u>18,977,488</u></u>

	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	<u>(24,000)</u>	-	-
Net Assets	<u><u>2,987</u></u>	<u><u>2,500</u></u>	<u><u>17,978,126</u></u>

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	<u>220,000</u>	<u>-</u>	<u>(220,000)</u>	<u>-</u>
As at 31 March 2024	<u><u>16,068</u></u>	<u><u>-</u></u>	<u><u>18,977,488</u></u>	<u><u>18,993,556</u></u>

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	<u>40,420</u>	<u>(24,537)</u>
Net cash outflow from operating activities	<u><u>(489,721)</u></u>	<u><u>(485,248)</u></u>

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
	<u>217,360</u>

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 Farrington & 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 Church)	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
<i>Returned grants or reductions in future commitments :</i>	
Various	-
	<u>14,170</u>
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.

THE DUCHY OF LANCASTER BENEVOLENT FUND

STATEMENT OF INVESTMENT PRINCIPLES

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. 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

