

THE ANNANDALE CHARITABLE TRUST

England & Wales · Charity number 1049193

Details

Status Registered

Legal form Trust

Registered 1995-09-14

Register [View on the Charity Commission register](#)

Contact

Address HSBC Trust Company (UK) Limited
Forum 1
2nd Floor
The Forum
Parkway
Whiteley

Phone 023 8212 2700

Email charitabletrusts@ludlowtrust.com

Activities

Objects: SUCH CHARITABLE PURPOSES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT

Activities: General Charitable Purposes. Trust is open to applications. Please submit your application to <https://funding.ludlowtrust.com>

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-01	£712,489	£456,444	£16,604,222	0
2024-04-05	£350,968	£606,621	-	-
2023-04-05	£381,916	£384,910	-	-
2022-04-05	£316,900	£773,791	-	-
2021-04-05	£352,314	£145,723	-	-
2020-04-05	£408,357	£581,606	-	-

Trustees

Name	Role	Appointed
LUDLOW TRUST COMPANY (SOUTHAMPTON) LTD		

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

THE ANNANDALE CHARITABLE TRUST

Trustee's Report and Financial Statements

for the period ended 1 September 2025

Registered Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

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THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

CHARITY INFORMATION

Trustee

Ludlow Trust Company (Southampton) Limited
(Company no. 00106294 – corporate trustee) (formerly HSBC Trust Company (UK) Limited)

Corporate trustee

Represented during the year by the following directors:

Gary St John Collins	(appointed 01/03/2025 and resigned 31/03/2026)
Walter Duncan Coxon	(appointed 01/03/2025)
Christopher Ian Thurlow	(appointed 19/03/2025)
Matthew John Wickers	(appointed 01/03/2025)
Jacqueline Marie Gentles	(resigned 01/03/2025)
Emma Louise Chee	(resigned 01/03/2025)
James Coyle	(resigned 24/04/2024)
Jenny Fiona Goldie-Scot	(appointed 25/04/2024 and resigned 01/03/2025)
James Edward Hewitson	(resigned 01/03/2025)
Paul Michael Spencer	(resigned 05/12/2024)
Alexander Edward Mulroe	(appointed 01/04/2026)

Principal office

Ludlow Trust Company (Southampton) Limited
Yarmouth House
1300 Parkway
Solent Business Park
Whiteley
PO15 7AX

Registered charity number

1049193

Independent Auditor

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Investment manager and banker

HSBC UK Bank Plc
1 Centenary Square
Birmingham
B1 1HQ

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

TRUSTEE'S REPORT

The trustee has pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the period ended 1 September 2025. The trustee has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Annandale Charitable Trust is an unincorporated trust constituted under a trust deed dated 1 September 1995, set up by the late Mrs S.M. Blofeld, and registered as a charity 14 September 1995.

The trust is controlled by the trustee (list provided on page 1), appointed by the settlor under the trust deed. The power to appoint and remove trustees rested with the settlor and now rests with the current trustee. The trust deed requires a minimum of three trustees, unless a trust corporation is appointed.

Policies and procedures are in place to ensure the new trustees receive induction and training, including briefing by the existing trustee on the history of the trust, day-to-day management, trustee responsibilities, current objectives, and future plans.

The trustee has opted to align the accounting reference date with the charity's creation, being 1 September. Consequently, the financial statements presented are for a 17-month period 6 April 2024 to 1 September 2025, with the comparative figures representing the year ended 5 April 2024. Accordingly, the comparative figures are not entirely comparable due to the differing reporting periods.

The trustee has assessed the major risks to which the charity is exposed. The trustee believes, that by ensuring appropriate controls exist over key financial systems, including those operated by HSBC UK Bank plc and Ludlow Trust Company (Southampton) Limited, effective systems have been established to mitigate those risks.

OBJECTIVES AND ACTIVITIES

The charity's objects are: "Such charitable purposes as the trustees in their absolute discretion think fit."

In pursuance of its objects, the charity's income, and, at the absolute discretion of the trustee, its capital, is applied in making grants to charitable organisations.

In the furtherance of the charity's objectives for the public benefit the trustee shall provide grants. In determining how the charity should pursue its objects, the trustee has had regard to the Charity Commission's guidance on public benefit.

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

Incoming resources for the period amounted to £712,489 (year ended 5 April 2024: £298,905) comprising of income from investments of £580,888 (year ended 5 April 2024: £350,968) and transfers from endowment funds of £131,601 (year ended 5 April 2024: to endowment £52,063).

During the period under review the charity made grants in furtherance of the objects amounting to £206,720 (year ended 5 April 2024: £430,040).

Other expenditure included investment management costs of £112,087 (year ended 5 April 2024: £78,309) while support and governance costs amounted to £137,637 (year ended 5 April 2024: £98,272) giving total resources expended of £456,444 (year ended 5 April 2024: £606,621).

At 1 September 2025 the charity's total funds amounted to £16,604,222 (year ended 5 April 2024: £15,579,594) with free reserves of £442,792 (year ended 5 April 2024: £74,660). Given the availability of the expendable endowment fund the trustee does not consider that the charity needs to maintain any significant free reserves although they recognise that such reserves will arise from time to time.

The charity's investments are managed by HSBC UK Bank plc with the target of generating income and growing the investments above the inflation. The trustee continually monitors the investment policy and performance against the objectives and are content with the performance of investments during the period under review.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

TRUSTEE'S REPORT

Investment policy: In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC UK Bank plc as investment managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income and also providing the potential for longer term growth of capital in real terms.

Grant-making policy: Applications for help from the charity are made by applying in writing to the trustee. The applications are considered at regular intervals during meetings.

FUNDRAISING STANDARDS

The charity does not carry out any fundraising activities from the public with grants made from income derived from capital and capital withdrawals.

PLANS FOR FUTURE PERIODS

The trustee intends to continue the charity's grant-making activity in furtherance of the charity's objects.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the Trustee's 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 trustee 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 trustee is 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 trustee is 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.

APPOINTMENT OF INDEPENDENT AUDITOR

During the period under review the charity exceeded the threshold for audit and appointed Blue Spire Limited as auditor to the charity. Blue Spire Limited have expressed their willingness to continue as auditor to the charity for subsequent financial years where the charity remains over the audit threshold.

Approved by the trustee and signed on their behalf.



Chris Thurlow on behalf of Ludlow Trust Company (Southampton) Limited
Trustee

Date 27 May 2026

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Trustee of The Annandale Charitable Trust

Opinion

We have audited the financial statements of The Annandale Charitable Trust (the 'charity') for the 17-month period ended 1 September 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 1 September 2025, and of its incoming resources and application of resources, including its income and expenditure, 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.

Other matter

The financial statements of the charity for the year ended 5 April 2024 were audited by another auditor who issued an unqualified opinion on those statements on 4 February 2025. Accordingly, we make no comment nor draw any conclusions in respect of the period to 5 April 2024.

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 trustee's 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 trustee 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 trustee's annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

INDEPENDENT AUDITOR'S REPORT

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

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee is 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 trustee either intends 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 auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charity and the industry in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, and Trustee Act. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. As an investment and donation funded grantmaker there is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of those charged with governance around actual and potential litigation and claims and any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

INDEPENDENT AUDITOR'S REPORT

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Blue Spire limited

Blue Spire Limited, Statutory Auditor

Date 28 May 2026

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire Limited is eligible for appointment as auditor of the charity by virtue its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

STATEMENT OF FINANCIAL ACTIVITIES

				Period Ended 1 September 2025 Total Funds £	Year Ended 5 April 2024 Total Funds £
	Note	Unrestricted Funds £	Endowment Funds £		
INCOME AND ENDOWMENTS FROM:					
Investment income	1	580,888	-	580,888	350,968
Total		<u>580,888</u>	<u>-</u>	<u>580,888</u>	<u>350,968</u>
EXPENDITURE ON:					
Raising funds - investment managers fees	2	-	112,087	112,087	78,309
Charitable activities	3	344,357	-	344,357	528,312
Total		<u>344,357</u>	<u>112,087</u>	<u>456,444</u>	<u>606,621</u>
Gains/(losses) on investments	6	-	900,155	900,155	1,415,706
Net income/expenditure)		<u>236,531</u>	<u>788,068</u>	<u>1,024,599</u>	<u>1,160,053</u>
Transfers between funds	11	<u>131,601</u>	<u>(131,601)</u>	<u>-</u>	
OTHER RECOGNISED GAINS/(LOSSES):					
Gains/Losses) on foreign exchange		-	29	29	-
Net movement in funds		<u>368,132</u>	<u>656,496</u>	<u>1,024,628</u>	<u>1,160,053</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	10, 11	74,660	15,504,934	15,579,594	14,419,541
Total funds carried forward	10, 11	<u>442,792</u>	<u>16,161,430</u>	<u>16,604,222</u>	<u>15,579,594</u>

None of the charity's other activities were acquired or discontinued during the above financial year.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

BALANCE SHEET AS AT 1 SEPTEMBER 2025

		2025		2024	
	Note	£	£	£	£
FIXED ASSETS					
Investments	6	<u>16,121,552</u>	16,121,552	<u>15,545,814</u>	15,545,814
CURRENT ASSETS					
Debtors	7	7,375		4,637	
Cash at hand and in bank		<u>509,368</u>		<u>69,279</u>	
Total current assets		516,743		73,916	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	8	<u>34,073</u>		<u>40,136</u>	
Net current assets/(liabilities)			482,670		33,780
Net assets/(liabilities)			<u>16,604,222</u>		<u>15,579,594</u>
THE FUNDS OF THE CHARITY					
Expendable endowment funds	10, 11		16,161,430		15,504,934
Unrestricted funds	10, 11		<u>442,792</u>		<u>74,660</u>
Total charity funds			<u>16,604,222</u>		<u>15,579,594</u>

The notes on pages 12 to 18 form part of these accounts.

These financial statements were approved by the board and signed on their behalf

Chris Thurlow

Chris Thurlow on behalf of Ludlow Trust Company (Southampton) Limited
Trustee

Date 27 May 2026

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

STATEMENT OF CASH FLOWS

	Note	2025		2024	
		£	£	£	£
Net cash flow from operating activities (see below)			(465,216)		(572,274)
Cash flow from investing activities					
Investment income		580,888		350,968	
Proceeds from sale of investments		12,733,712		9,032,279	
Purchase of investments		(12,409,295)		(8,965,954)	
Net cash flow from investing activities			905,305		417,293
Net increase/(decrease) in cash and cash equivalents			440,089		(154,981)
Cash and cash equivalents brought forward			69,279		224,260
Cash and cash equivalents carried forward			509,368		69,279
Cash and cash equivalents consist of:					
Cash at bank and in hand			509,368		69,279
Cash and cash equivalents carried forward			509,368		69,279
Reconciliation of net income to net cash flow from operating activities					
		£	£	£	£
Net income for the year			1,024,599		1,160,053
Adjusted for:					
Investment income		(580,888)		(350,968)	
(Gain)/loss on investments		(900,155)		(1,415,706)	
Gain/(loss) on foreign exchange		29		-	
(Increase)/decrease in debtors		(2,738)		36,988	
Increase/(decrease) in creditors		(6,063)		(2,641)	
			(1,489,815)		(1,732,327)
			(465,216)		(572,274)

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

The Annandale Charitable Trust is an unincorporated charity registered in England and Wales. The address of the principal office is given in the charity information of these financial statements and the nature of the charity's operations and principal activities are detailed in the trustees'

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following expenditure headings:

- Raising funds; these include investment management fees charged by the charity's investment managers
- Charitable activities; these include grants to third parties and the costs of administering the charity inclusive of governance costs

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support and governance costs are those that assist the work of the charity but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in the governance of the charity and primarily associated with the constitution and statutory requirements.

VAT

The charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

ACCOUNTING POLICIES

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Where investments are denominated in currencies other than Sterling, transactions are translated at the rate prevailing at the date of the transaction and year end values are calculated using the exchange rate prevailing at the year end.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Fund accounting

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Capital (endowment) funds comprise the original gifts introduced by the settlor and associated gift aid, together with the accumulated realised and unrealised surpluses arising on investments acquired with those gifts, less any donations made out of capital. The capital funds are expendable at the discretion of the trustee. Investment management charges and legal advice relating to the fund are charged against the fund. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

1. Investment income

	Period Ended 1 September 2025			Year Ended 5 April 2024		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income from investment holdings	570,779	-	570,779	342,716	-	342,716
Interest on the cash deposit	10,109	-	10,109	8,252	-	8,252
	<u>580,888</u>	<u>-</u>	<u>580,888</u>	<u>350,968</u>	<u>-</u>	<u>350,968</u>

2. Raising funds

	Period Ended 1 September 2025			Year Ended 5 April 2024		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Investment management fees	-	112,087	112,087	-	78,309	78,309
	<u>-</u>	<u>112,087</u>	<u>112,087</u>	<u>-</u>	<u>78,309</u>	<u>78,309</u>

3. Charitable activities

	Period Ended 1 September 2025			Year Ended 5 April 2024		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Grants to institutions (see note 4)	206,720	-	206,720	430,040	-	430,040
Support and governance costs:						
Administrative fees	133,449	-	133,449	-	87,656	87,656
Auditor's fee (see note 5)	4,188	-	4,188	10,616	-	10,616
	<u>344,357</u>	<u>-</u>	<u>344,357</u>	<u>440,656</u>	<u>87,656</u>	<u>528,312</u>

During the period under review, the administrative fees provided by the Ludlow Trust Company (Southampton) Limited (formerly HSBC Trust Company (UK) Limited) have been allocated against unrestricted funds, in accordance with Charities SORP 2019 (FRS102).

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

4. Grants to institutions (one grant and England and Wales unless indicated)

		Period Ended 1 September 2025 Total Funds £			Year Ended 5 April 2024 Total Funds £
Country	No.		Country	No.	
Anthony Nolan		-		3	10,730
Blue Cross		5,340		3	10,730
British Heart Foundation		5,340		3	10,730
British Liver Trust		-			4,930
British Red Cross Society		1,900		2	8,830
Cancer Research UK		5,340		3	10,730
Cats Protection		-			2,790
Southern Hospice Group - <i>Chestnut Tree House</i>		5,340		3	10,730
Children First		5,340	Scotland	3	10,730
Children With Cancer UK		5,340		2	5,800
CLIC Sargent Cancer Care for Children	2	7,240		2	8,830
Cosmetic Toiletry and Perfumery Foundation		5,340			-
Crackerjacks Children's Trust		5,340		3	9,620
Cruse Bereavement Support		-			4,930
Cystic Fibrosis Trust		5,340		3	10,730
Deki Limited		-			4,930
Demelza Hospice Care for Children		-			1,900
Dogs Trust		5,340		2	6,830
Florence Nightingale Hospice Charity		-			2,790
Great Ormond Street Hospital Children's Charity		5,340		3	10,730
Headway - The Brain Injury Association		5,340		3	10,730
Helen & Douglas House		5,340			-
Hope for Tomorrow		-			4,930
Hospice UK		5,340		3	10,730
ICAN Charity		5,340			-
Isobel Hospice Limited		5,340		3	10,730
Isle of Wight Donkey Sanctuary CIO		-			2,790
Kidney Research UK		5,340		3	10,730
Lennox Children's Cancer Fund		-			4,930
Lewis-Manning Hospice Care		-		2	4,690
MacMillan Cancer Support		5,340		3	10,730
Make-A-Wish Foundation		-		3	10,730
Marie Curie		5,340		3	10,730
Motor Neurone Disease Association		5,340		3	10,730
Muscular Dystrophy UK		5,340		3	10,730
NSPCC		5,340		3	10,730
Odyssey Project Limited		-		2	7,720
OMEGA - Ending Isolation, Ending Loneliness Ltd		5,340			-
OXFAM		5,340		3	10,730
P D S A		5,340		3	10,730
Planets Cancer Charity		5,340			1,900
Redwings Horse Sanctuary		5,340		3	10,730
Rennie Grove Peace Hospice Care		5,340			-
RNIB		5,340		3	10,730
RNLI		-		3	10,730
R S P C A		5,340		3	10,730
Ruby's Fund		-		2	7,720
<i>Carried down</i>		169,340			354,380

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

4. Grants to institutions (one grant and England and Wales unless indicated) *(continued)*

	Country	No.	2025 Total Funds £	Country	No.	2024 Total Funds £
<i>Brought down</i>			169,340			354,380
Spencer Dayman Meningitis Research			-			4,930
Stormbreak CIO			5,340			1,900
Stroke Association			-	3		10,730
The Brain Tumour Charity			-			4,930
The Brigstowe Project			-			1,900
The Donkey Sanctuary			5,340	3		10,730
The Elisabeth Svendsen Trust for Children and Donkeys			-			3,900
Humane World for Animals United Kingdom			-			2,790
The RAF Benevolent Fund Housing Trust Limited			-			2,790
The Seeing Dogs Alliance			5,340			1,900
The Terrence Higgins Trust			5,340	2		5,800
Tommy's			5,340	3		10,730
Unknown			-			1,900
Victim Support			5,340	3		10,730
Wonderseekers			5,340			-
			<u>206,720</u>			<u>430,040</u>

5. Auditor's fees

	Unrestricted Funds £	Endowment Funds £	Period Ended 1 September 2025 Total Funds £	Income Fund £	Capital Fund £	Year Ended 5 April 2024 Total Funds £
Auditor's fee - accountancy	-	-	-	2,575	-	2,575
Auditor's fee - audit	3,300	-	3,300	8,041	-	8,041
Auditor's fee - prior year (over)/under accrual	888	-	888	-	-	-
	<u>4,188</u>	<u>-</u>	<u>4,188</u>	<u>10,616</u>	<u>-</u>	<u>10,616</u>

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

6. Investments

	Period Ended 1 September 2025 £	Year Ended 5 April 2024 £
Market value brought forward	15,545,814	14,196,433
Cost of investments purchased	12,409,295	8,965,954
Disposals at proceeds	(12,733,712)	(9,032,279)
Gains/(losses) on investments	900,155	1,415,706
Market value carried forward	<u>16,121,552</u>	<u>15,545,814</u>
<i>Analysis of investment holdings:</i>		
Listed investments	<u>16,121,552</u>	<u>15,545,814</u>

7. Debtors

	Period Ended 1 September 2025 £	Year Ended 5 April 2024 £
Accrued income - dividends	<u>7,375</u>	<u>4,637</u>
	<u>7,375</u>	<u>4,637</u>

8. Creditors

	Period Ended 1 September 2025 £	Year Ended 5 April 2024 £
Accrual - Investment management fees	13,945	18,887
Accrual - Administrative management fees	16,828	9,459
Accrual - Auditor's fee	3,300	11,790
	<u>34,073</u>	<u>40,136</u>

9. Related party transactions and employment costs

During the period under review, Ludlow Trust Company (Southampton) Limited, formerly HSBC Trust Company (UK) Limited (see page 1), charged fees for the provision of administrative services of £133,449 (year ended 5 April 2024: £87,656), shown in note 3. At the balance sheet £16,828 (year ended 5 April 2024: £9,459) is accrued and payable to the Ludlow Trust Company (Southampton) Limited. The fees are authorised under clause 6 of the trust deed.

During the period under review, £77,943 (year ended 5 April 2024: £80,487) of investment management fees were paid to HSBC Bank Plc up to 1 March 2025. Up to 1 March 2025, the corporate trustee (formerly HSBC Trust Company (UK) Limited) and the investment manager, were both wholly owned subsidiaries of HSBC Holdings Plc.

The charity has no employees, all administration being carried out by the trustee. Other than the fees noted above no remuneration was paid or expenses reimbursed to any trustee or other related party.

There were no other disclosable related party transactions in the year under review or the comparative year.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

10. Analysis of net assets between funds

	Period Ended 1 September 2025			Year Ended 5 April 2024		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Investments	-	16,121,552	16,121,552	-	15,545,814	15,545,814
Current assets	462,920	53,823	516,743	93,981	(20,065)	73,916
Current liabilities	(20,128)	(13,945)	(34,073)	(19,321)	(20,815)	(40,136)
	<u>442,792</u>	<u>16,161,430</u>	<u>16,604,222</u>	<u>74,660</u>	<u>15,504,934</u>	<u>15,579,594</u>

11. Net movement in funds

Period ended 1 September 2025						
	Total funds brought forward	Total incoming resources	Total resources expended	Gains/ (losses) on investments and foreign exchange	Transfers between funds	Total funds carried forward
	£	£	£	£	£	£
Endowment funds	15,504,934	-	(112,087)	900,184	(131,601)	16,161,430
Unrestricted funds	74,660	580,888	(344,357)	-	131,601	442,792
	<u>15,579,594</u>	<u>580,888</u>	<u>(456,444)</u>	<u>900,184</u>	<u>-</u>	<u>16,604,222</u>
Year ended 5 April 2024						
	Total funds brought forward	Total incoming resources	Total resources expended	Gains/ (losses) on investments	Transfers between funds	Total funds carried forward
	£	£	£	£	£	£
Endowment funds	14,203,130	-	(165,965)	1,415,706	52,063	15,504,934
Unrestricted funds	216,411	350,968	(440,656)	-	(52,063)	74,660
	<u>14,419,541</u>	<u>350,968</u>	<u>(606,621)</u>	<u>1,415,706</u>	<u>-</u>	<u>15,579,594</u>

The transfer of funds from the expendable endowment fund to unrestricted general fund was implemented by the trustees in order to provide resources for grant awards in furtherance of the charity's objectives as authorised by clause 3.2 of the trust deed.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

12. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	Period Ended 1 September 2025 Total Funds £	Year Ended 5 April 2024 Total Funds £
<i>Financial assets</i>		
Measured at fair value through net income/(expenditure):		
Fixed asset investments	16,121,552	15,545,814
	<u>16,121,552</u>	<u>15,545,814</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	Period Ended 1 September 2025 Total Funds £	Year Ended 5 April 2024 Total Funds £
<i>Income and expense</i>		
Financial assets measured at fair value through net income/(expenditure)		
Investment income	570,779	342,716
Investment management fees	(112,087)	(78,309)
	<u>458,692</u>	<u>264,407</u>
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value through net income/(expenditure)		
Net gains/(losses) on investments	900,155	1,415,706
	<u>900,155</u>	<u>1,415,706</u>

Fixed asset investments are held at fair value with valuations obtained by reference to market prices from the appropriate stock exchange, bid prices and last traded prices where applicable.

THE ANNANDALE CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 SEPTEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

13. Comparative statement of financial activities

				Year Ended 5 April 2024 Total Funds £
	Note	Unrestricted Funds £	Endowment Funds £	
INCOME AND ENDOWMENTS FROM:				
Investments	1	350,968	-	350,968
Total		<u>350,968</u>	<u>-</u>	<u>350,968</u>
EXPENDITURE ON:				
Raising funds - investment managers fees	2	-	78,309	78,309
Charitable activities	3	440,656	87,656	528,312
Total		<u>440,656</u>	<u>165,965</u>	<u>606,621</u>
Gains/(losses) on investments	6	-	1,415,706	1,415,706
Net income/expenditure		<u>(89,688)</u>	<u>1,249,741</u>	<u>1,160,053</u>
Transfers between funds	11	(52,063)	52,063	-
Net movement in funds		<u>(141,751)</u>	<u>1,301,804</u>	<u>1,160,053</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	10, 11	216,411	14,203,130	14,419,541
Total funds carried forward	10, 11	<u>74,660</u>	<u>15,504,934</u>	<u>15,579,594</u>

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

**THE ANNANDALE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2024**

Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

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THE ANNANDALE CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee	HSBC Trust Company (UK) Limited
Current Directors of Corporate Trustee	E L Chee (Appointed 17 October 2024) J F Goldie-Scot (Appointed 25 April 2024) J Hewitson P M Spencer (Resigned 5 December 2024)
Trust Manager	J Wiles
Principal Office	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Investment Managers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2024

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019.

The Annandale Charitable Trust is an unincorporated trust and is constituted under the terms of the Trust Deed dated 1 September 1995, set up by the late Mrs Blofeld. The Trust is a registered charity (no. 1049193).

Aims and objectives

The objects of the charity are of general charitable purposes. The charitable activity is performed through the awarding of grants, in accordance with the terms of the governing document.

Public benefit

The trustee has considered the Commission's guidance on public benefit, and consider grant making to be an effective method of delivering these objectives. Applications are reviewed as they are received, and awarded at the discretion of the trustee.

Financial review

The charity originally received funds under the terms of the deed of settlement. The fund generated income of £350,968 (2023: £381,916) in the year, which together with brought forward reserves facilitated the expenditure on charitable activities of £528,312 (2023: £303,961) of which £430,040 (2023: £205,491) was direct charitable expenditure in the form of grants to charitable institutions. Total charitable expenditure amounted to £606,621 (2023: £384,910).

The closing level of endowment funds was £15,504,934 (2023: £14,203,130) and unrestricted funds was £74,660 (2023: £216,411).

Achievement and performance

During the year 122 grants totalling £430,040 (2023: 45 grants totalling £205,491) were awarded to charitable institutions, in accordance with the terms of the governing document.

Details of these grants are set out in note 5 to the financial statements.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in the underlying securities.

Investment policy

In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2024

Reserves policy

The unrestricted funds, which are the free reserves of the charity and are represented by the income arising, are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2024 is £74,660 (2023: £216,411). It is not the policy of the charity to maintain specific reserves and the trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income. The balance of endowment funds held at 5 April 2024 is £15,504,934 (2023: £14,203,130).

Plans for the future

The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties

The Corporate Trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to those fees shown on page 19, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice. A summary of the transactions of the charity with the related parties is set out in note 11 of the financial statements.

Structure, governance and management

The trustee has appointed a designated trust manager to look after the charity. The investment manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional trustees is vested in the current trustee. The Trust Deed requires a minimum of three trustee's, unless a trust corporation is appointed.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc. A summary of the transactions of the charity with these parties is set out in note 11 of the financial statements.

Key management personnel

Trust does not have any employees and all decisions are taken by the trustee. The only remuneration paid is that paid to the corporate trustee as disclosed in note 11.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2024

Statement of the Trustee's responsibilities in relation to the financial statements

The trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustee 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 income and expenditure of the charity for that period. In preparing these financial statements, the trustee is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 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.

Auditors

In accordance with the Charities Act 2011, a resolution proposing that RSM UK Audit LLP be reappointed as Auditors of the charity will be put to a general meeting.

Approved by the trustee and signed on their behalf by:



HSBC Trust Company (UK) Limited

Date: 04/02/2025

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Annandale Charitable Trust for the year ended 5 April 2024 which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 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 5 April 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 trustee's 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 trustee 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 Trustee Report other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the Trustee Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

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 where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Statement of the Trustee's responsibilities set out on page 4, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Charity operates in and how the Charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, and the charity's governing document. We performed audit procedures, which included reviewing the financial statements including the Trustee report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents, to detect non compliances which may have a material impact on the financial statements.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls, as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 trustee as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

THE ANNANDALE CHARITABLE TRUST

**INDEPENDENT AUDITOR'S REPORT cont.
TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST**

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 04/02/25

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ANNANDALE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2024

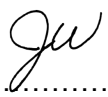
	Notes	Unrestricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
Income					
Investment income	2	350,968	-	350,968	381,916
Total income		<u>350,968</u>	<u>-</u>	<u>350,968</u>	<u>381,916</u>
Expenditure					
Cost of generating funds	3	-	78,309	78,309	80,949
Charitable activities	4	440,656	87,656	528,312	303,961
Total expenditure		<u>440,656</u>	<u>165,965</u>	<u>606,621</u>	<u>384,910</u>
Net income/(expenditure) incurred before transfers and other recognised gains and losses		(89,688)	(165,965)	(255,653)	(2,994)
Realised and unrealised gains/(losses) on investments	7	-	1,415,706	1,415,706	(646,589)
Net income/(expenditure) for the year		<u>(89,688)</u>	<u>1,249,741</u>	<u>1,160,053</u>	<u>(649,583)</u>
Transfer between funds		(52,063)	52,063	-	-
Funds invested at 6 April 2023		216,411	14,203,130	14,419,541	15,069,124
Funds invested at 5 April 2024		<u><u>74,660</u></u>	<u><u>15,504,934</u></u>	<u><u>15,579,594</u></u>	<u><u>14,419,541</u></u>

THE ANNANDALE CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2024

	Notes	Unrestricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
Fixed assets					
Investments	7	89,344	15,525,749	15,615,093	14,420,693
Current assets					
Debtors	8	4,637	-	4,637	41,625
		<u>4,637</u>	<u>-</u>	<u>4,637</u>	<u>41,625</u>
Creditors: amounts falling due within one year	9	19,321	20,815	40,136	42,777
Net current liabilities		<u>(14,684)</u>	<u>(20,815)</u>	<u>(35,499)</u>	<u>(1,152)</u>
Net assets		<u>74,660</u>	<u>15,504,934</u>	<u>15,579,594</u>	<u>14,419,541</u>
Funds	10	<u>74,660</u>	<u>15,504,934</u>	<u>15,579,594</u>	<u>14,419,541</u>

04/02/2025
Approved by the trustee and authorised for issue on..... and signed on their behalf by:


.....
HSBC Trust Company (UK) Limited

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The trust is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Going concern

At the time of approving the accounts, the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the accounts.

The Trust's investments are sufficient to cover its fixed costs for a period of at least twelve months even in the event of a significant fall in investment values. Therefore, the Trustee has concluded that the going concern basis remains appropriate.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is accounted for in the period in which the charity is entitled to receipt. Income is the gross value of dividends and interest received after reclaiming any tax credits that are available. Dividends due on quoted investments that are ex-dividend at the balance sheet date are accrued as income.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

1. Accounting policies cont.

Expenditure

Expenditure is included on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure includes grants payable in furtherance of the charitable objectives of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed asset investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation or disposals throughout the period is taken to the Statement of Financial Activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

1. Accounting policies cont.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

2. Investment Income

	2024 £	2023 £
Dividends - UK equities	73,649	75,891
Dividends - Foreign equities	155,000	138,481
Interest - UK fixed interest securities	8,252	1,436
Interest - Overseas unit trusts	114,067	166,108
	<u>350,968</u>	<u>381,916</u>

3. Costs of generating funds

	2024 £	2023 £
Investment management fees	<u>78,309</u>	<u>80,949</u>

4. Charitable activities

The charity undertakes its charitable activities through grant making, and awards grants to a number of charities in accordance with its charitable objectives.

	Grant funded activity £	Support costs £	Other allocated costs £	Total 2024 £	Total 2023 £
General charitable activities	<u>430,040</u>	<u>10,616</u>	<u>87,656</u>	<u>528,312</u>	<u>303,961</u>

Other allocated costs, of £87,656 (2023: £86,236) principally comprise management fees charged by the Corporate Trustee.

During the year 122 grants totalling £430,040 (2023: 45 grants totalling £205,491) were awarded to institutions in accordance with the terms of the governing document.

There are no support costs in relation to grant making activities.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

5. Analysis of grants

Charity	Grants Awarded	Amount £
Anthony Nolan No. 6	3	10,730
Blue Cross	3	10,730
British Heart Foundation	3	10,730
British Liver Trust	1	4,930
British Red Cross	2	8,830
Cancer Research UK	3	10,730
Cats Protection	1	2,790
Chestnut Tree House Hospice	3	10,730
Children 1st	3	10,730
Children With Cancer UK	2	5,800
CLIC Sargent Cancer Care	2	8,830
Crackerjacks Children's Trust	3	9,620
Cruse Bereavement Support	1	4,930
Cystic Fibrosis	3	10,730
Deki Ltd	1	4,930
Demelza Hospice Care for Children	1	1,900
Dogs Trust	2	6,830
Florence Nightingale Hospice Charity	1	2,790
Great Ormond Street Hospital	3	10,730
Headway The Brain Injury Association	3	10,730
Hope for Tomorrow	1	4,930
Hospice UK	3	10,730
Isabel Hospice	3	10,730
Isle of wight donkey sanctuary ICO	1	2,790
Kidney Research	3	10,730
Lennox Childrens Cancer Fund	1	4,930
Lewis Manning Hospice Care	2	4,690
MacMillan Cancer Support	3	10,730
Make A Wish Foundation	3	10,730
Marie Curie	3	10,730
Motor Neurone Disease Association	3	10,730
Muscular Dystrophy Group	3	10,730
NSPCC	3	10,730
Odyssey Project Limited	2	7,720
Oxfam	3	10,730
PDSA	3	10,730
Planets Cancer Charity	1	1,900
Redwings Horse Sanctuary	3	10,730

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

5. Analysis of grants cont.

RNIB	3	10,730
RNLI	3	10,730
RSPCA	3	10,730
Ruby's Fund	2	7,720
Spencer Dayman Meningitis Reaserch	1	4,930
Stormbreak CIO	1	1,900
Stroke Association	3	10,730
The Brain Tumour Charity	1	4,930
The Brigstowe Project	1	1,900
The Donkey Sanctuary	3	10,730
The Elizibeth Svendsen Trust for Children	1	3,900
The Humane Society International (UK)	1	2,790
The RAF Benevolent Fund Housing Trust Limited	1	2,790
The Seeing Dogs Alliance	1	1,900
The Terence Higgins Trust	2	5,800
Tommy's Baby Charity	3	10,730
Unknown	1	1,900
Victim Support	3	10,730
Total	122	430,040

6. Support costs

	2024	2023
	£	£
Accountancy fees	2,575	4,194
Auditor's remuneration	8,040	8,040
	10,615	12,234

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs are disclosed inclusive of VAT.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

7. Investments

	2024 £	2023 £
Securities fair value at 6 April 2023	14,196,433	14,677,307
Acquisitions at cost	8,965,954	6,064,865
Sales proceeds from disposals	(9,032,279)	(5,899,150)
Change in fair value	1,415,706	(646,589)
Securities fair value at 5 April 2024	<u>15,545,814</u>	<u>14,196,433</u>
Investments at fair value comprised of:		
UK Fixed Interest securities	1,533,168	1,473,384
Overseas Fixed Interest Securities	5,612,854	5,549,696
UK Equities	759,421	772,508
Overseas equities	5,885,886	4,938,561
Alternative Investment	1,754,485	1,462,284
	<u>15,545,814</u>	<u>14,196,433</u>
Securities historical cost at 5 April 2024	<u>14,174,919</u>	<u>14,550,279</u>

The following individual investments are considered to be material (over 5% of portfolio by value) in the context of the portfolio;

- HSBC Global Emerging Market Local Debt which has a portfolio weighting of less than 5% (2023: 8.26%),
- HSBC Global which has a portfolio weighting of 10.78% (2023: 9.06%),
- HSBC FTSE All-World Index has a portfolio weighting of less than 5% (2023: 7.03%),
- HSBC GIF Global Corporate Bond has a portfolio weighting of 5.69% (2023: 5.06%).

All security investments held are listed investments.

	2024 £	2023 £
Security investments	15,545,814	14,196,433
Cash investments	69,279	224,260
	<u>15,615,093</u>	<u>14,420,693</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

8. Debtors

	2024 £	2023 £
Accrued income	<u>4,637</u>	<u>41,625</u>

9. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals	<u>40,136</u>	<u>42,777</u>

10. Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management fees and certain management and administration costs are charged against the fund in accordance with the terms of the declaration of trust. The trustee has the power to pay or apply the whole or any part of this fund for or towards charitable purposes.

The trustee has the power to transfer funds between unrestricted and endowment funds. At the year end, a transfer is made to put funds in line with investments that they represent.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2024

11. Trustee remuneration and related parties

	2024 £	2023 £
Management fees - Corporate Trustee	87,656	86,236
Investment management fees	<u>78,309</u>	<u>80,949</u>

The corporate trustee is a small wholly owned subsidiary of HSBC Holdings plc. The following is a summary of transactions with this entity:

At 5 April 2024, £20,815 (2023: £21,924) was owed to HSBC Trust Company (UK) Limited.

The above fees include VAT that is irrecoverable by the charity. In addition, as a result of the acquisition and disposal of investments, the charity pay transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transaction value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

No trustee expenses have been incurred during the year or in the previous year.

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

**THE ANNANDALE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023**

Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

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THE ANNANDALE CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee	HSBC Trust Company (UK) Limited
Current Directors of Corporate Trustee	J Coyle P M Spencer J Hewitson
Trust Manager	J Wiles
Principal Office	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Investment Managers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2023

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019.

The Annandale Charitable Trust is an unincorporated trust and is constituted under the terms of the Trust Deed dated 1 September 1995, set up by the late Mrs Blofeld. The Trust is a registered charity (no. 1049193).

Aims and objectives

The objects of the charity are of general charitable purposes. The charitable activity is performed through the awarding of grants, in accordance with the terms of the governing document.

Public benefit

The trustee has considered the Commission's guidance on public benefit, and consider grant making to be an effective method of delivering these objectives. Applications are reviewed as they are received, and awarded at the discretion of the trustee.

Financial review

The charity originally received funds under the terms of the deed of settlement. The fund generated income of £381,916 (2022: £316,900) in the year, which together with brought forward reserves facilitated the expenditure on charitable activities of £303,961 (2022: £716,577) of which £205,491 (2022: £584,439) was direct charitable expenditure in the form of grants to charitable institutions. Total charitable expenditure amounted to £384,910 (2022: £773,791).

The closing level of endowment funds was £14,203,130 (2022: £15,028,006) and unrestricted funds was £216,411 (2022: £41,118).

Achievement and performance

During the year 45 grants totalling £205,491 (2022: 121 grants totalling £584,439) were awarded to charitable institutions, in accordance with the terms of the governing document.

Details of these grants are set out in note 5 to the financial statements.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in the underlying securities.

Investment policy

In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2023

Reserves policy

The unrestricted funds, which are the free reserves of the charity and are represented by the income arising, are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2023 is £216,411 (2022: £41,118). It is not the policy of the charity to maintain specific reserves and the trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income. The balance of endowment funds held at 5 April 2023 is £14,203,130 (2022: £15,028,006).

Plans for the future

The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties

The Corporate Trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to those fees shown on pages 19, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice. A summary of the transactions of the charity with the related parties is set out in note 11 of the financial statements.

Structure, governance and management

The trustee has appointed a designated trust manager to look after the charity. The investment manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional trustees is vested in the current trustee. The Trust Deed requires a minimum of three trustee's, unless a trust corporation is appointed.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc. A summary of the transactions of the charity with these parties is set out in note 11 of the financial statements.

Key management personnel

Trust does not have any employees and all decisions are taken by the trustee. The only remuneration paid is that paid to the corporate trustee's as disclosed in note 11.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2023

Statement of Trustee's responsibilities in relation to the financial statements

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practise and:

- 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Charities Act 2011, a resolution proposing that RSM UK Audit LLP be reappointed as Auditors of the charity will be put to a general meeting.

Approved by the trustee and signed on their behalf by: *Jen Wiles*

HSBC Trust Company (UK) Limited

Date: 01/02/2024

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Annandale Charitable Trust for the year ended 5 April 2023 which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 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 5 April 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 trustee's 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 trustee's with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee 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, we do not express any form of assurance conclusion thereon.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Statement of Trustee's responsibilities set out on page 4, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected noncompliance with laws and regulations identified during the audit.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Charity operates in and how the Charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, and the charity's governing document. We performed audit procedures, which included reviewing the financial statements including the Trustee report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents, to detect non-compliances which may have a material impact on the financial statements.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls, as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 trustee as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

THE ANNANDALE CHARITABLE TRUST

**INDEPENDENT AUDITOR'S REPORT cont.
TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST**

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 02/02/24

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ANNANDALE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income					
Investment income	2	381,916	-	381,916	316,900
Total income		<u>381,916</u>	<u>-</u>	<u>381,916</u>	<u>316,900</u>
Expenditure					
Cost of generating funds	3	-	80,949	80,949	57,214
Charitable activities	4	217,725	86,236	303,961	716,577
Total expenditure		<u>217,725</u>	<u>167,185</u>	<u>384,910</u>	<u>773,791</u>
Net income/(expenditure) incurred before transfers and other recognised gains and losses		164,191	(167,185)	(2,994)	(456,891)
Realised and unrealised gains/(losses) on investments	7	-	(646,589)	(646,589)	409,664
Net income/(expenditure) for the year		<u>164,191</u>	<u>(813,774)</u>	<u>(649,583)</u>	<u>(47,227)</u>
Transfer between funds		11,102	(11,102)	-	-
Funds invested at 6 April 2022		41,118	15,028,006	15,069,124	15,116,351
Funds invested at 5 April 2023		<u>216,411</u>	<u>14,203,130</u>	<u>14,419,541</u>	<u>15,069,124</u>

THE ANNANDALE CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2023

	Notes	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Fixed assets					
Investments	7	195,642	14,225,051	14,420,693	15,110,311
Current assets					
Debtors	8	41,625	-	41,625	1,413
		<u>41,625</u>	<u>-</u>	<u>41,625</u>	<u>1,413</u>
Creditors: amounts falling due within one year	9	20,856	21,921	42,777	42,600
Net current assets/(liabilities)		<u>20,769</u>	<u>(21,921)</u>	<u>(1,152)</u>	<u>(41,187)</u>
Net assets		<u>216,411</u>	<u>14,203,130</u>	<u>14,419,541</u>	<u>15,069,124</u>
Funds	10	<u>216,411</u>	<u>14,203,130</u>	<u>14,419,541</u>	<u>15,069,124</u>

Approved by the trustee and authorised for issue on...01/02/2024..... and signed on their behalf by:

Jen Wiles
.....
HSBC Trust Company (UK) Limited

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The trust is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Going concern

At the time of approving the accounts, the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the accounts.

The Trust's investments are sufficient to cover its fixed costs for a period of at least twelve months even in the event of a significant fall in investment values. Therefore, the Trustee has concluded that the going concern basis remains appropriate.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is accounted for in the period in which the charity is entitled to receipt. Income is the gross value of dividends and interest received after reclaiming any tax credits that are available. Dividends due on quoted investments that are ex-dividend at the balance sheet date are accrued as income.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies cont.

Expenditure

Expenditure is included on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure includes grants payable in furtherance of the charitable objectives of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed asset investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation or disposals throughout the period is taken to the Statement of Financial Activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies cont.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies cont.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

2. Investment Income

	2023 £	2022 £
Dividends - UK equities	75,891	134,357
Dividends - Foreign equities	138,481	84,847
Interest - UK fixed interest securities	1,436	3,049
Interest - Overseas unit trusts	166,108	94,647
	<u>381,916</u>	<u>316,900</u>

3. Costs of generating funds

	2023 £	2022 £
Investment management fees	<u>80,949</u>	<u>57,214</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

4. Charitable activities

The charity undertakes its charitable activities through grant making, and awards grants to a number of charities in accordance with its charitable objectives.

	Grant funded £	Support costs £	Other allocated costs £	Total 2023 £	Total 2022 £
General charitable activities	<u>205,491</u>	<u>12,234</u>	<u>86,236</u>	<u>303,961</u>	<u>716,577</u>

Other allocated costs, of £86,236 (2022: £112,276) principally comprise management fees charged by the Corporate Trustee.

During the year 45 grants totalling £205,491 (2022: 121 grants totalling £584,439) were awarded to institutions in accordance with the terms of the governing document.

5. Analysis of grants

Charity	Grants Awarded	Amount £
Anthony Nolan No. 6	1	5,000
Blue Cross	2	10,500
British Heart Foundation	1	5,000
British Red Cross	1	5,000
Children With Cancer UK	1	5,000
RNIB	1	5,000
Stroke Association	1	5,000
Tommy's Baby Charity	1	5,000
Terrance Higgins Trust	1	5,000
Victim Support	1	5,000
The Donkey Sanctuary	1	5,000
PDSA	1	5,000
Redwings Horse Sanctuary	1	5,000
RSPCA	1	5,000
MacMillan Cancer Support	1	5,000
Marie Curie	1	5,000
Children 1st	1	5,000
The Elizibeth Svendsen Trust for Children	1	5,000

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

5. Analysis of grants cont.

Oxfam	1	5,000
Clic Sargent	1	5,000
RNLI	1	5,000
NSPCC	1	5,000
Cystic Fibrosis	1	5,000
Great Ormond Street Hospital	1	5,000
Isabel Hospice	1	5,000
Make A Wish Foundation	1	5,000
Motor Neurone Disease Association	1	5,000
Muscular Dystrophy Group	1	5,000
Hospice UK	1	5,000
Cancer Research UK	1	5,000
The Forgot Me Not	1	3,181
Crackerjack's Childrens	1	3,181
Chestnut Tree House Hospice	1	5,000
Kidney Reseach	1	5,000
Leukaenia UK	1	3,181
Headway The Brain Injury Association	1	5,000
Lennox Children's cancer	1	3,181
The Humane Society International (UK)	1	3,181
The Brigstowe Project	1	3,181
The Brendoncare Foundation	1	3,181
Isle of wight donkey sanctuary ICO	1	3,181
Deki Limited	1	3,181
St Clare West Essex Hospice Care Trust	1	3,181
Children's Hospice South West	1	3,181
Total	45	205,491

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

6. Support costs

	2023 £	2022 £
Accountancy fees	4,194	11,957
Auditor's remuneration	8,040	7,800
	<u>12,234</u>	<u>19,757</u>

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are disclosed inclusive of VAT.

7. Investments

	2023 £	2022 £
Securities fair value at 6 April 2022	14,677,307	14,611,966
Acquisitions at cost	6,064,865	12,862,145
Sales proceeds from disposals	(5,899,150)	(13,206,468)
Change in fair value	(646,589)	409,664
Securities fair value at 5 April 2023	<u>14,196,433</u>	<u>14,677,307</u>
Investments at fair value comprised of:		
UK Fixed Interest securities	1,473,384	1,267,241
Overseas Fixed Interest Securities	5,549,696	5,996,804
UK Equities	772,508	612,784
Overseas equities	4,938,561	5,000,088
Alternative Investment	1,462,284	1,800,390
	<u>14,196,433</u>	<u>14,677,307</u>
Securities historical cost at 5 April 2023	<u>14,550,279</u>	<u>14,614,034</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

7. Investments cont.

The following individual investments are considered to be material (over 5% of portfolio by value) in the context of the portfolio;

- HSBC Global Emerging Market Local Debt which has a portfolio weighting of 8.26% (2022: 4.27%),
- HSBC Global which has a portfolio weighting of 9.06% (2022: 9.27%),
- Charities Property Inc which has a portfolio weighting of 4.18% (2022: 5.18%),
- HSBC FTSE All-World Index has a portfolio weighting of 7.03% (2022: less than 5%),
- HSBC GIF Global Corporate Bond has a portfolio weighting of 5.06% (2022: less than 5%).

All security investments held are listed investments.

	2023 £	2022 £
Security investments	14,196,433	14,677,307
Cash investments	224,260	433,004
	<u>14,420,693</u>	<u>15,110,311</u>

8. Debtors

	2023 £	2022 £
Accrued income	<u>41,625</u>	<u>1,413</u>

9. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	42,777	42,600
	<u>42,777</u>	<u>42,600</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

10. Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management fees and certain management and administration costs are charged against the fund in accordance with the terms of the declaration of trust. The trustee has the power to pay or apply the whole or any part of this fund for or towards charitable purposes.

The trustee has the power to transfer funds between unrestricted and endowment funds.

11. Trustee remuneration and related parties

The corporate trustee is a small wholly owned subsidiary of HSBC Holdings plc. The following is a summary of transactions with this entity:

	2023 £	2022 £
Management fees - Corporate Trustee	86,236	112,276
Investment management fees	<u>80,949</u>	<u>57,214</u>

At 5 April 2023, £21,924 (2022: £22,939) was owed to HSBC Trust Company (UK) Limited.

The above fees include VAT that is irrecoverable by the charity. In addition, as a result of the acquisition and disposal of investments, the charity pay transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transaction value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

No trustee expenses have been incurred during the year or in the previous year.

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

**THE ANNANDALE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022**

Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

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THE ANNANDALE CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee	HSBC Trust Company (UK) Limited
Current Directors of Corporate Trustee	J Coyle P M Spencer J Hewitson
Trust Manager	J Wiles
Principal Office	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Investment Managers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2022

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Annandale Charitable Trust is an unincorporated trust and is constituted under the terms of the Trust Deed dated 1 September 1995, set up by the late Mrs Blofeld. The Trust is a registered charity (no. 1049193).

Aims and objectives

The objects of the charity are of general charitable purposes. The charitable activity is performed through the awarding of grants, in accordance with the terms of the governing document.

Public benefit

The trustee has considered the Commission's guidance on public benefit, and consider grant making to be an effective method of delivering these objectives. Applications are reviewed as they are received, and awarded at the discretion of the trustee.

Financial review

The charity originally received funds under the terms of the deed of settlement. The fund generated income of £316,900 (2021: £352,314) in the year, which together with brought forward reserves facilitated the expenditure on charitable activities of £716,577 (2021: £81,223) of which £584,439 (2021: £nil) was direct charitable expenditure in the form of grants to charitable institutions. During the year there were no returned grants (2021: 1 returned grant of £1,606). Total charitable expenditure amounted to £773,791 (2021: £145,723).

The closing level of endowment funds was £15,028,006 (2021: £14,790,420) and unrestricted funds was £41,118 (2021: £325,931).

Achievement and performance

During the year 121 grants totalling £584,439 (2021: no grants) were awarded to charitable institutions, in accordance with the terms of the governing document. No grants were returned (2021: 1 grant of £1,606 was returned) in the year.

Details of these grants are set out in note 5 to the financial statements.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in the underlying securities.

Investment policy

In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2022

Reserves policy

The unrestricted funds, which are the free reserves of the charity and are represented by the income arising, are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2022 is £41,118 (2021: £325,931). It is not the policy of the charity to maintain specific reserves and the trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income.

Plans for the future

The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties

The Corporate Trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to those fees shown on pages 19, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice. A summary of the transactions of the charity with the related parties is set out in note 11 of the financial statements.

Structure, governance and management

The trustee has appointed a designated trust manager to look after the charity. The investment manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional trustees is vested in the current trustee. The Trust Deed requires a minimum of three trustee's, unless a trust corporation is appointed.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc. A summary of the transactions of the charity with these parties is set out in note 11 of the financial statements.

Key management personnel

Trust does not have any employees and all decisions are taken by the trustee. The only remuneration paid is that paid to the corporate trustee's as disclosed in note 11.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2022

Statement of Trustee's responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practise and:

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

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Charities Act 2011, a resolution proposing that RSM UK Audit LLP be reappointed as Auditors of the charity will be put to a general meeting.

Approved by the trustee and signed on their behalf by:



HSBC Trust Company (UK) Limited

Date: 02/02/2023

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Annandale Charitable Trust for the year ended 5 April 2022 which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 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 5 April 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 trustee's 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 trustee's with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee 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, we do not express any form of assurance conclusion thereon.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Statement of Trustee's responsibilities set out on page 4, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected noncompliance with laws and regulations identified during the audit.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Charity operates in and how the Charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls, as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 trustee as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

THE ANNANDALE CHARITABLE TRUST

**INDEPENDENT AUDITOR'S REPORT cont.
TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST**

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 03/02/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ANNANDALE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2022

	Notes	Unrestricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
Income					
Investment income	2	316,900	-	316,900	352,314
Total income		<u>316,900</u>	<u>-</u>	<u>316,900</u>	<u>352,314</u>
Expenditure					
Cost of generating funds	3	-	57,214	57,214	64,500
Charitable activities	4	604,301	112,276	716,577	81,223
Total expenditure		<u>604,301</u>	<u>169,490</u>	<u>773,791</u>	<u>145,723</u>
Net income/(expenditure) incurred before transfers and other recognised gains and losses		(287,401)	(169,490)	(456,891)	206,591
Realised and unrealised gains/(losses) on investments	7	-	409,664	409,664	2,744,116
Net income/(expenditure) for the year		<u>(287,401)</u>	<u>240,174</u>	<u>(47,227)</u>	<u>2,950,707</u>
Transfer between funds		2,588	(2,588)	-	-
Funds invested at 6 April 2021		325,931	14,790,420	15,116,351	12,165,644
Funds invested at 5 April 2022		<u>41,118</u>	<u>15,028,006</u>	<u>15,069,124</u>	<u>15,116,351</u>

THE ANNANDALE CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2022

	Notes	Unrestricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
Fixed assets					
Investments	7	59,364	15,050,947	15,110,311	15,225,978
Current assets					
Debtors	8	1,413	-	1,413	-
		<u>1,413</u>	<u>-</u>	<u>1,413</u>	<u>-</u>
Creditors: amounts falling due within one year	9	19,659	22,941	42,600	109,627
Net current assets/(liabilities)		<u>(18,246)</u>	<u>(22,941)</u>	<u>(41,187)</u>	<u>(109,627)</u>
Net assets		<u><u>41,118</u></u>	<u><u>15,028,006</u></u>	<u><u>15,069,124</u></u>	<u><u>15,116,351</u></u>
Funds	10	<u><u>41,118</u></u>	<u><u>15,028,006</u></u>	<u><u>15,069,124</u></u>	<u><u>15,116,351</u></u>

Approved by the trustee and authorised for issue on 02/02/2023..... and signed on their behalf by:

Jon Cuman

.....
HSBC Trust Company (UK) Limited

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting 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 and UK Generally Accepted Practice as it applies from 1 January 2015. The trust is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Going concern

At the time of approving the accounts, the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the accounts.

The Trust's investments are sufficient to cover its fixed costs for a period of at least twelve months even in the event of a significant fall in investment values. Therefore, the Trustee has concluded that the going concern basis remains appropriate.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is accounted for in the period in which the charity is entitled to receipt. Income is the gross value of dividends and interest received after reclaiming any tax credits that are available. Dividends due on quoted investments that are ex-dividend at the balance sheet date are accrued as income.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting policies cont.

Expenditure

Expenditure is included on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure includes grants payable in furtherance of the charitable objectives of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed asset investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation or disposals throughout the period is taken to the Statement of Financial Activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting policies cont.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting policies cont.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

2. Investment income

	2022 £	2021 £
Dividends - UK equities	134,357	140,428
Dividends - Foreign equities	84,847	59,406
Interest - UK fixed interest securities	3,049	25,542
Interest - Overseas unit trusts	94,647	126,767
Interest - Cash deposits	-	171
	<u>316,900</u>	<u>352,314</u>

3. Costs of generating funds

	2022 £	2021 £
Investment management fees	<u>57,214</u>	<u>64,500</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

4. Charitable activities

The charity undertakes its charitable activities through grant making, and awards grants to a number of charities in accordance with its charitable objectives.

	Grant funded £	Support costs £	Other allocated costs £	Total 2022 £	Total 2021 £
General charitable activities	<u>584,439</u>	<u>19,862</u>	<u>112,276</u>	<u>716,577</u>	<u>81,223</u>

Other allocated costs, of £112,276 (2021: £73,550) principally comprise management fees charged by the Corporate Trustee.

During the year 121 grants totalling £584,439 (2021: no grants) were awarded to institutions in accordance with the terms of the governing document. No grants were returned during the year (2021: 1 grant totalling £1,606).

5. Analysis of grants

Charity	Grants Awarded	Amount £
Action Medical Research	1	2,767
Age UK Bath & North East	1	10,000
Anthony Nolan No. 6	3	13,327
Battersea Dogs & Cats Home	1	2,767
Blue Cross	2	7,827
Born Free Foundation	1	10,000
Born Free Foundation	1	4,500
Breast Cancer Now	1	4,500
British Heart Foundation	4	16,094
British Red Cross	3	13,327
Cancer Research UK	3	13,327
Chestnut Tree House Hospice	3	13,327
Children 1st	3	13,327
Children With Cancer UK	3	13,327
Childrens Heart Federation	1	10,000
Clic Sargent	3	13,327
Cobalt Health	1	10,000
Crackerjack's Childrens	2	14,500
Cystic Fibrosis	3	13,327
Dolphin Society	1	2,767
Ellenor Hospice	1	2,767

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

5. Analysis of grants cont.

Florence Nightingale Hospice	1	2,767
Great Ormond Street Hospital	3	13,327
Handicapped Children	1	4,500
Headway The Brain Injury Association	1	5,500
Helen and Douglas House	1	10,000
Hospice UK	3	13,327
International Animal Rescue	1	4,500
Isabel Hospice	3	13,327
Kidney Reseach	3	13,327
Leukaemia UK	1	4,500
Lewis Mannig Hospice Care	1	10,000
MacMillian Cancer Support	3	13,327
Make A Wish Foundation	3	13,327
Marie Curie	3	13,327
MedEquip4Kids	1	1,606
Motor Neurone Disease Association	3	13,327
Muscular Dystrophy Group	3	13,327
National Deaf Children	1	2,767
NSPCC	3	13,327
Oxfam	3	13,327
PDSA	3	13,327
Redwings Horse Sanctuary	3	13,327
Re-Engage Ltd	1	10,000
RNIB	3	13,327
RNLI	3	13,327
RSPCA	3	13,327
Stroke Association	3	13,327
Target Ovarian Cancer	1	10,000
Terrance Higgins Trust	3	13,327
The Donkey Sanctuary	3	13,327
The Elizibeth Svendsen Trust for Children	3	13,327
The Forgot Me Not	1	10,000
The Hugs Foundation	1	10,000
Tommy's Baby Charity	3	13,327
Victim Support	3	13,327
Total	121	584,439

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

6. Support costs

	2022 £	2021 £
Accountancy fees	11,957	2,269
Auditor's remuneration	7,800	7,010
	<u>19,757</u>	<u>9,279</u>

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are disclosed inclusive of VAT.

7. Investments

	2022 £	2021 £
Securities fair value at 6 April 2021	14,611,966	11,998,664
Acquisitions at cost	12,862,145	18,113,092
Sales proceeds from disposals	(13,206,468)	(18,243,906)
Change in fair value	409,664	2,744,116
Securities fair value at 5 April 2022	<u>14,677,307</u>	<u>14,611,966</u>
Investments at fair value comprised of:		
UK Fixed Interest securities	1,267,241	4,934,692
Overseas Fixed Interest Securities	5,996,804	6,754,558
UK Equities	612,784	1,399,269
Overseas equities	5,000,088	109,899
Alternative Investment	1,800,390	1,413,548
	<u>14,677,307</u>	<u>14,611,966</u>
Securities historical cost at 5 April 2022	<u>14,614,034</u>	<u>13,434,873</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

7. Investments cont.

The following individual investments are considered to be material (over 5% of portfolio by value) in the context of the portfolio;

- HSBC Global Emerging Market Local Debt which has a portfolio weighting of 4.27% (2021: 5.19%),
- HSBC Global which has a portfolio weighting of 9.27% (2021: 5.92%),
- HSBC American Index which has a portfolio weighting of 1.59% (2021: 7.14%),
- HSBC GIG which has a portfolio weighting of nil% (2021: 9.68%),
- HSBC Multi Factor Worldwide which has a portfolio weighting of nil% (2021: 5.62%),
- iShares Core 4.27% (2021: 8.22%),
- Charities Property Inc which has a portfolio weighting of 5.18% (2021: less than 5%).

All security investments held are listed investments.

	2022 £	2021 £
Security investments	14,677,307	14,611,966
Cash investments	433,004	614,012
	<u>15,110,311</u>	<u>15,225,978</u>

8. Debtors

	2022 £	2021 £
Accrued income	<u>1,413</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	42,600	109,627
	<u>42,600</u>	<u>109,627</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

10. Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management fees and certain management and administration costs are charged against the fund in accordance with the terms of the declaration of trust. The trustee has the power to pay or apply the whole or any part of this fund for or towards charitable purposes.

The trustee has the power to transfer funds between unrestricted and endowment funds.

11. Trustee remuneration and related parties

The corporate trustee is a small wholly owned subsidiary of HSBC Holdings plc. The following is a summary of transactions with this entity:

	2022 £	2021 £
Management fees - Corporate Trustee	112,276	73,550
Investment management fees	<u>57,214</u>	<u>64,500</u>

At 5 April 2022, £22,939 (2021: £82,162) was owed to HSBC Trust Company (UK) Limited.

The above fees include VAT that is irrecoverable by the charity. In addition, as a result of the acquisition and disposal of investments, the charity pay transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transaction value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

No trustee expenses have been incurred during the year or in the previous year.

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

**THE ANNANDALE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

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THE ANNANDALE CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee	HSBC Trust Company (UK) Limited
Current Directors of Corporate Trustee	J Coyle P M Spencer J Hewitson
Trust Manager	J Wiles
Principal Office	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Investment Managers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2021

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Annandale Charitable Trust is an unincorporated trust and is constituted under the terms of the Trust Deed dated 1 September 1995, set up by the late Mrs Blofeld. The Trust is a registered charity (no. 1049193).

Aims and objectives

The objects of the charity are of general charitable purposes. The charitable activity is performed through the awarding of grants, in accordance with the terms of the governing document.

Public benefit

The trustee has considered the Commission's guidance on public benefit, and consider grant making to be an effective method of delivering these objectives. Applications are reviewed as they are received, and awarded at the discretion of the trustee.

Financial review

The charity originally received funds under the terms of the deed of settlement. The fund generated income of £352,314 (2020: £405,314) in the year, which together with brought forward reserves facilitated the expenditure on charitable activities of £81,223 (2020: £505,422) of which £nil (2020: £412,139) was direct charitable expenditure in the form of grants to charitable institutions. During the year there was 1 returned grant of £1,606 (2020: 1 returned grant of £3,043). Total charitable expenditure amounted to £145,723 (2020: £578,563).

The closing level of endowment funds was £14,790,420 (2020: £12,172,774) and unrestricted funds was £325,931 (2020: deficit of £7,130). The Trustee has considered the impact of the COVID-19 outbreak and consider that it does not have a material impact on the charity given the value of investments held.

Achievement and performance

During the year no grants (2020: 186 grants totalling £412,139) were awarded to charitable institutions, in accordance with the terms of the governing document. 1 grant of £1,606 (2020: 1 grant of £3,043) was returned in the year.

Details of these grants are set out in note 5 to the financial statements.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in the underlying securities.

Investment policy

In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2021

Reserves policy

The unrestricted funds, which are the free reserves of the charity and are represented by the income arising, are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2021 is £325,931 (2020: deficit of £7,130). It is not the policy of the charity to maintain specific reserves and the trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The unrestricted fund balance is in deficit at the year end but this relates to a timing issue at the balance sheet date.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income.

Plans for the future

The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties

The Corporate Trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to those fees shown on pages 19, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice. A summary of the transactions of the charity with the related parties is set out in note 11 of the financial statements.

Structure, governance and management

The trustee has appointed a designated trust manager to look after the charity. The investment manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional trustee's is vested in the current trustee. The Trust Deed requires a minimum of three trustee's, unless a trust corporation is appointed.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc. A summary of the transactions of the charity with these parties is set out in note 11 of the financial statements.

Key management personnel

Trust does not have any employees and all decisions are taken by the trustee. The only remuneration paid is that paid to the corporate trustee's as disclosed in note 11.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2021

Statement of Trustee's responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practise and:

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

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Charities Act 2011, a resolution proposing that RSM UK Audit LLP be reappointed as Auditors of the charity will be put to a general meeting.

Approved by the trustee and signed on their behalf by:



HSBC Trust Company (UK) Limited

Date: 1 Feb 2022

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Annandale Charitable Trust for the year ended 5 April 2021 which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 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 5 April 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 trustee's 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 trustee's with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee 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, we do not express any form of assurance conclusion thereon.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Statement of Trustee's responsibilities set out on page 4, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected noncompliance with laws and regulations identified during the audit.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Charity operates in and how the Charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls, as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 trustee as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont.
TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 02-Feb-2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ANNANDALE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income					
Investment income	2	352,314	-	352,314	405,314
Total income		<u>352,314</u>	<u>-</u>	<u>352,314</u>	<u>405,314</u>
Expenditure					
Cost of generating funds	3	-	64,500	64,500	73,141
Charitable activities	4	7,673	73,550	81,223	505,422
Total expenditure		<u>7,673</u>	<u>138,050</u>	<u>145,723</u>	<u>578,563</u>
Net income/(expenditure) incurred before transfers and other recognised gains and losses		344,641	(138,050)	206,591	(173,249)
Realised and unrealised gains/(losses) on investments	7	-	2,744,116	2,744,116	(1,595,310)
Net income/(expenditure) for the year		<u>344,641</u>	<u>2,606,066</u>	<u>2,950,707</u>	<u>(1,768,559)</u>
Transfer between funds		(11,580)	11,580	-	-
Funds invested at 6 April 2020		(7,130)	12,172,774	12,165,644	13,934,203
Funds invested at 5 April 2021		<u>325,931</u>	<u>14,790,420</u>	<u>15,116,351</u>	<u>12,165,644</u>

THE ANNANDALE CHARITABLE TRUST

BALANCE SHEET
AS AT 5 APRIL 2021

	Notes	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Fixed assets					
Investments	7	335,136	14,890,842	15,225,978	12,189,044
Current assets					
Debtors	8	-	-	-	1,690
		-	-	-	1,690
Creditors: amounts falling due within one year	9	9,205	100,422	109,627	25,090
Net current assets/(liabilities)		(9,205)	(100,422)	(109,627)	(23,400)
Net assets		<u>325,931</u>	<u>14,790,420</u>	<u>15,116,351</u>	<u>12,165,644</u>
Funds	10	<u>325,931</u>	<u>14,790,420</u>	<u>15,116,351</u>	<u>12,165,644</u>

Approved by the trustee and authorised for issue on 1 Feb 2022 and signed on their behalf by:


.....
HSBC Trust Company (UK) Limited

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting 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 and UK Generally Accepted Practice as it applies from 1 January 2015. The trust is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Going concern

At the time of approving the accounts, the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the accounts.

The Trustee has reviewed the appropriateness of the adoption of the going concern basis, including the impact of COVID-19 on the Trust. The Trust's investments are sufficient to cover its fixed costs for a period of at least twelve months even in the event of a significant fall in investment values. Therefore, the Trustee has concluded that the going concern basis remains appropriate.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is accounted for in the period in which the charity is entitled to receipt. Income is the gross value of dividends and interest received after reclaiming any tax credits that are available. Dividends due on quoted investments that are ex-dividend at the balance sheet date are accrued as income.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies cont.

Expenditure

Expenditure is included on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure includes grants payable in furtherance of the charitable objectives of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed asset investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation or disposals throughout the period is taken to the Statement of Financial Activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Accounting policies cont.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies cont.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

2. Investment income

	2021 £	2020 £
Dividends - UK equities	140,428	81,439
Dividends - Foreign equities	59,406	137,166
Interest - UK fixed interest securities	25,542	39,607
Interest - Overseas unit trusts	126,767	145,016
Interest - Cash deposits	171	733
Compensation payment	-	1,353
	<u>352,314</u>	<u>405,314</u>

3. Costs of generating funds

	2021 £	2020 £
Investment management fees	<u>64,500</u>	<u>73,141</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

4. Charitable activities

The charity undertakes its charitable activities through grant making, and awards grants to a number of charities in accordance with its charitable objectives.

	Grant funded activity £	Support costs £	Other allocated costs £	Total 2021 £	Total 2020 £
General charitable activities	<u>(1,606)</u>	<u>9,279</u>	<u>73,550</u>	<u>81,223</u>	<u>505,422</u>

Other allocated costs of £73,550 (2020: £84,553) principally comprise management fees charged by the Corporate Trustee.

During the year no grants (2020: 186 grants totalling £412,139) were awarded to institutions in accordance with the terms of the governing document. 1 grant totalling £1,606 was returned during the year (2020: 1 grant totalling £3,043).

5. Analysis of grants

During the year no grants (2020: 186 grants totalling £412,139) were awarded to charitable institutions in accordance with the terms of the governing document. No grants were awarded to individuals in either year. One grant of £1,606 was returned during the year (2020: 1 grant totalling £3,043).

The treatment of returned grants has been changed. Returned grants are now offset against grants payable within general charitable activities. For this reason, comparative disclosure has been presented differently.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

6. Support costs

	2021 £	2020 £
Accountancy fees	2,269	2,050
Auditor's remuneration	7,010	6,680
	<u>9,279</u>	<u>8,730</u>

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are disclosed inclusive of VAT.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

7. Investments

	2021 £	2020 £
Securities fair value at 6 April 2020	11,998,664	13,674,743
Acquisitions at cost	18,113,092	5,141,639
Sales proceeds from disposals	(18,243,906)	(5,222,408)
Change in fair value	2,744,116	(1,595,310)
Securities fair value at 5 April 2021	<u>14,611,966</u>	<u>11,998,664</u>
Investments at fair value comprised of:		
UK Fixed Interest securities	4,934,692	1,606,048
Overseas Fixed Interest Securities	6,754,558	4,975,666
UK Equities	1,399,269	203,930
Overseas equities	109,899	2,464,710
Alternative Investment	1,413,548	2,748,310
	<u>14,611,966</u>	<u>11,998,664</u>
Securities historical cost at 5 April 2021	<u>13,434,873</u>	<u>9,167,488</u>

The following individual investments are considered to be material (over 5% of portfolio by value) in the context of the portfolio;

- HSBC Corporate Bond Inst Inc which has a portfolio weighting of 1.47% (2020: 7.59%),
- HSBC Global Emerging Market Local Debt which has a portfolio weighting of 5.19% (2020: 8.97%),
- HSBC Global which has a portfolio weighting of 5.92% (2020: 5.86%)
- HSBC UK Gilt Index which has a portfolio weighting of nil% (2020: 8.00%),
- HSBC European Index which has a portfolio weighting of 3.34% (2020: 5.81%),
- HSBC American Index which has a portfolio weighting of 7.14% (2020: 11.27%),
- HSBC GIF which has a portfolio weighting of 0.99% (2020: 5.91%),
- HSBC GIG which has a portfolio weighting of 9.68% (2020: 5.78%),
- HSBC Multi Factor Worldwide which has a portfolio weighting of 5.62% (2020: 5.66%),
- iShares Core 8.22% (2020: nil%).

All security investments held are listed investments.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

7. Investments cont.

	2021 £	2020 £
Security investments	14,611,966	11,998,664
Cash investments	614,012	190,380
	<u>15,225,978</u>	<u>12,189,044</u>

8. Debtors

	2021 £	2020 £
Accrued income	<u>-</u>	<u>1,690</u>

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	109,627	25,090
	<u>109,627</u>	<u>25,090</u>

10. Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management fees and certain management and administration costs are charged against the fund in accordance with the terms of the declaration of trust. The trustee has the power to pay or apply the whole or any part of this fund for or towards charitable purposes.

The trustee has the power to transfer funds between unrestricted and endowment funds.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

11. Trustee remuneration and related parties

The corporate trustee is a small wholly owned subsidiary of HSBC Holdings plc. The following is a summary of transactions with this entity:

	2021 £	2020 £
Management fees - Corporate Trustee	73,550	84,553
Investment management fees	<u>64,500</u>	<u>73,141</u>

At 5 April 2021, £82,162 (2020: £15,550) was owed to HSBC Trust Company (UK) Limited.

The above fees include VAT that is irrecoverable by the charity. In addition, as a result of the acquisition and disposal of investments, the charity pay transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transaction value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

No trustee expenses have been incurred during the year or in the previous year.

THE ANNANDALE CHARITABLE TRUST

England & Wales - Charity number 1049193

Accounts

**THE ANNANDALE CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020**

Charity Number 1049193

THE ANNANDALE CHARITABLE TRUST

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THE ANNANDALE CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee	HSBC Trust Company (UK) Limited
Current Directors of Corporate Trustee	J Coyle P M Spencer J Hewitson
Trust Manager	T Curran
Principal Office	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
Investment Managers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2020

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Annandale Charitable Trust is an unincorporated trust and is constituted under the terms of the Trust Deed dated 1 September 1995, set up by the late Mrs Blofeld. The Trust is a registered charity (no. 1049193).

Aims and objectives

The objects of the charity are of general charitable purposes. The charitable activity is performed through the awarding of grants, in accordance with the terms of the governing document.

Public benefit

The trustee has considered the Commission's guidance on public benefit, and consider grant making to be an effective method of delivering these objectives. Applications are reviewed as they are received, and awarded at the discretion of the trustee.

Financial review

The charity originally received funds under the terms of the deed of settlement. The fund generated income of £408,357 (2019: £434,530) in the year, which together with brought forward reserves facilitated the expenditure on charitable activities of £508,465 (2019: £771,404) of which £412,139 (2019: £677,400) was direct charitable expenditure in the form of grants to charitable institutions. Total charitable expenditure amounted to £581,606 (2019: £837,234).

The closing level of endowment funds was £12,172,774 (2019: £13,868,972) and unrestricted funds was a deficit of £7,130 (2019: £65,231). The Trustee has considered the impact of the COVID-19 outbreak and consider that it does not have a material impact on the charity given the value of investments held.

Achievement and performance

During the year 186 grants totalling £412,139 (2019: 153 grants totalling £677,400) were awarded to charitable institutions, in accordance with the terms of the governing document. 1 grant of £3,043 (2019: 1 grant of £4,300) was returned in the year.

Details of these grants are set out in note 5 to the financial statements.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in the underlying securities.

Investment policy

In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2020

Reserves policy

The unrestricted funds, which are the free reserves of the charity and are represented by the income arising, are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2020 is a deficit of £7,130 (2019: £65,231). It is not the policy of the charity to maintain specific reserves and the trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The unrestricted fund balance is in deficit at the year end but this relates to a timing issue at the balance sheet date.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income.

Plans for the future

The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties

The Corporate Trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings Plc.

In addition to those fees shown on pages 20 - 21, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice. A summary of the transactions of the charity with the related parties is set out in note 11 of the financial statements.

Structure, governance and management

The trustee has appointed a designated trust manager to look after the charity. The investment manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional trustees is vested in the current trustee. The Trust Deed requires a minimum of three trustees, unless a trust corporation is appointed.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc. A summary of the transactions of the charity with these parties is set out in note 11 of the financial statements.

Key management personnel

Trust does not have any employees and all decisions are taken by the trustee. The only remuneration paid is that paid to the corporate trustees as disclosed in note 11.

THE ANNANDALE CHARITABLE TRUST

REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2020

Statement of Trustees' responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustee should follow best practise and:

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

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Charities Act 2011, a resolution proposing that RSM UK Audit LLP be reappointed as Auditors of the charity will be put to a general meeting.

Approved by the trustee and signed on their behalf by:



HSBC Trust Company (UK) Limited

Date: 01/02/2021

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Annandale Charitable Trust for the year ended 5 April 2020 which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 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 5 April 2020 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 have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee 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, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the trustee

As explained more fully in the Statement of Trustees' responsibilities set out on page 4, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

THE ANNANDALE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT cont. TO THE MEMBERS OF THE ANNANDALE CHARITABLE TRUST

Use of our report

This report is made solely to the charity's trustee as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

2 February 2021

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date:

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ANNANDALE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Notes	Unrestricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income					
Investment income	2	405,314	-	405,314	426,096
Tax refund		-	-	-	4,134
Returned grant	4	3,043	-	3,043	4,300
Total income		<u>408,357</u>	<u>-</u>	<u>408,357</u>	<u>434,530</u>
Expenditure					
Cost of generating funds	3	-	73,141	73,141	65,830
Charitable activities	4	423,912	84,553	508,465	771,404
Total expenditure		<u>423,912</u>	<u>157,694</u>	<u>581,606</u>	<u>837,234</u>
Net income/(expenditure) incurred before transfers and other recognised gains and losses		(15,555)	(157,694)	(173,249)	(402,704)
Realised and unrealised Gains on investment assets	7	-	(1,595,310)	(1,595,310)	567,357
Net income/(expenditure) for the year		<u>(15,555)</u>	<u>(1,753,004)</u>	<u>(1,768,559)</u>	<u>164,653</u>
Transfer between funds		(56,806)	56,806	-	-
Funds invested at 6 April 2019		65,231	13,868,972	13,934,203	13,769,550
Funds invested at 5 April 2020		<u><u>(7,130)</u></u>	<u><u>12,172,774</u></u>	<u><u>12,165,644</u></u>	<u><u>13,934,203</u></u>

THE ANNANDALE CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2020

	Notes	Unrestricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Fixed assets					
Investments	7	10	12,189,034	12,189,044	13,979,612
Current assets					
Debtors	8	1,690	-	1,690	-
		<u>1,690</u>	<u>-</u>	<u>1,690</u>	<u>-</u>
Creditors: amounts falling due within one year	9	8,830	16,260	25,090	45,409
Net current assets/(liabilities)		<u>(7,140)</u>	<u>(16,260)</u>	<u>(23,400)</u>	<u>(45,409)</u>
Net assets		<u><u>(7,130)</u></u>	<u><u>12,172,774</u></u>	<u><u>12,165,644</u></u>	<u><u>13,934,203</u></u>
Funds	10	<u><u>(7,130)</u></u>	<u><u>12,172,774</u></u>	<u><u>12,165,644</u></u>	<u><u>13,934,203</u></u>

01/02/2021

Approved by the trustee and authorised for issue on and signed on their behalf by:



.....
HSBC Trust Company (UK) Limited

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

1. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting 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 and UK Generally Accepted Practice as it applies from 1 January 2015. The trust is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Going concern

At the time of approving the accounts, the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustee continues to adopt the going concern basis of accounting in preparing the accounts.

The Trustee has reviewed the appropriateness of the adoption of the going concern basis, including the impact of COVID-19 on the Trust. The Trust's investments are sufficient to cover its fixed costs for a period of at least twelve months even in the event of a significant fall in investment values. Therefore, the Trustee has concluded that the going concern basis remains appropriate.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is accounted for in the period in which the charity is entitled to receipt. Income is the gross value of dividends and interest received after reclaiming any tax credits that are available. Dividends due on quoted investments that are ex-dividend at the balance sheet date are accrued as income.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

1. Accounting policies cont.

Expenditure

Expenditure is included on an accruals basis. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure includes grants payable in furtherance of the charitable objectives of the charity. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include governance costs which are costs associated with meeting the constitutional and statutory requirements of the charity.

Fixed asset investments

Investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation or disposals throughout the period is taken to the Statement of Financial Activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

1. Accounting policies cont.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

1. Accounting policies cont.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

2. Investment income

	2020 £	2019 £
Dividends - UK equities	81,439	122,884
Dividends - Foreign equities	137,166	125,264
Interest - UK fixed interest securities	39,607	48,475
Interest - Overseas unit trusts	145,016	129,379
Interest - Cash deposits	733	94
Compensation payment	1,353	-
	<u>405,314</u>	<u>426,096</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

3. Costs of generating funds

	2020 £	2019 £
Investment management fees	<u>73,141</u>	<u>65,830</u>

4. Charitable activities

The charity undertakes its charitable activities through grant making, and awards grants to a number of charities in accordance with its charitable objectives.

	Grant funded £	Support costs £	Other allocated costs £	Total 2020 £	Total 2019 £
General charitable activities	<u>415,182</u>	<u>8,730</u>	<u>84,553</u>	<u>508,465</u>	<u>771,404</u>

Other allocated costs of £84,553 (2019: £81,330) principally comprise management fees charged by the Corporate Trustee.

During the year 186 grants totalling £412,139 (2019: 153 grants totalling £677,400) were awarded to institutions in accordance with the terms of the governing document. 1 grant totalling £3,043 was returned during the year (2019: 1 grant totalling £4,300).

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

5. Analysis of grants

During the year 186 grants totalling £412,139 (2019: 153 grants totalling £677,400) were awarded to charitable institutions in accordance with the terms of the governing document. No grants were awarded to individuals in either year.

Charity	Grants Awarded	Amount £
Abbys Heroes	1	3,043
Activity Club for Children	1	3,043
Age Concern Cheshire	1	1,678
Anthony Nolan No6	3	6,661
Baby Lifetime Limited	1	1,678
Barnstaple Municipal	1	1,678
Battersea Dogs and Cats	1	1,678
Bloodwise	1	3,043
Blue Cross	3	6,661
Born Free Foundation	1	3,043
Bransby Horses	1	1,606
Breast Cancer Now	1	3,043
British Heart Foundation	3	6,661
British Hen Welfare Trust	1	1,606
British Red Cross	3	6,661
Building for the Future	1	3,043
Cancer Support UK	1	3,043
Cats Protection	1	1,678
Cherished Memories	1	3,043
Chestnut Tree House Hospice	3	6,661
Children Today Charitable	1	1,606
Children with Cancer UK	3	6,661
Children's 1st	3	6,661
Children's Heart Federation	1	1,678
Children's Heart Surgery	2	3,284
Clic Sargent	3	6,661
Cornwall Air Ambulance Trust	1	10,000
Counselling Plus Community	1	1,678
Cuan Wildlife Rescue	1	3,043
Cystic Fibrosis	3	6,661
Dog Trust	1	3,043
Doncaster Deaf Trust	1	3,043
Dove Cottage Day Hospice	1	3,043
Evelina Children's Heart	1	3,043

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

5. Analysis of grants cont.

Farplace Animal Rescue	1	1,678
Forget me Not Children's Hospice	1	1,606
Freshfields Animal Rescue	1	3,043
Friends of the Elderly	1	3,043
Great Osmond Street Hospital	3	6,661
Greyhound Trust	1	3,043
Grief Encounter	1	1,606
Handicapped Childrens Action	1	1,678
HASAG Asbestos Disease	1	1,606
Headway	3	6,661
Hearing Dogs for Deaf People	2	3,284
Hop for Tomorrow	1	1,678
Hospice UK	3	6,661
International Animal Rescue	1	3,043
Isabel Hospice	3	6,661
Jo's Cervical Cancer Trust	1	1,606
Julia's House	1	3,043
Kidney Research UK	3	6,661
Kids Konnect	1	3,043
Kids N' Action	1	3,043
Kirkwood Hospice	1	3,043
Lennox Childrens Cancer Fund	2	3,284
Macmillan Cancer Support	3	6,661
Make a Wish Foundation	3	6,661
Marie Curie	3	6,661
Martlets Hospice	1	3,043
MedEquip4Kids	1	1,606
Microphthalmia, Anophthalmia & C	1	1,606
Motor Neurone Disease Assoc	3	6,661
Multiple Sclerosis Trust	1	1,606
Muscular Dystrophy Group	3	6,661
Nightingale House Hospice	1	3,043
North London Hospice	1	1,606
NSPCC	3	6,661
Oesophageal Patients	1	1,678
Oxfam	3	6,661
Pancreatic Cancer Action	1	1,678
PDSA	3	6,661
Peace Hospice Care	1	1,606
Princess Alice Hospice	1	3,043
Rain Rescue	1	3,043
Rainbow Trust Children's	1	1,606

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

5. Analysis of grants cont.

React	1	1,678
Redwings Horse Sanctuary	1	3,320
Redwings Horse Sanctuary	2	3,342
Re-Engage Ltd	1	1,606
Rennie Grove Hospice Care	1	1,606
Revitalise	1	3,043
RNIB	3	6,661
RNLI	3	6,661
Roy Castle Lung Cancer	2	3,284
Royal Society for Blind	1	3,043
Royal Trinity Hospice	1	1,678
RSPCA	3	6,661
Ruby's Fund	1	1,606
Sail	1	1,678
Saint Catherine's Hospice	1	1,678
Seashell Trust	1	1,606
St Andrew's Hospice	1	3,043
St Clare Hospice	1	3,043
St Kentigem Hospice	1	1,678
St Wilford's Hospice	1	1,678
Stroke Association	3	6,661
Stubbers Adventure Centre	1	1,678
Sudbury Neighbourhood Centre	1	1,606
Terrence Higgins Trust	3	6,661
The Air Ambulance Service	1	1,678
the Brainwave Centre Ltd	1	1,606
The Brendoncare Foundation	1	1,606
The British Disabled Angling	1	1,606
The British Heart Society	1	3,043
The Cancer Research Campaign	3	6,661
The Children's Trust	1	3,043
The Clatterbridge Cancer	1	3,043
The Cure Parkinson Trsut	1	3,043
The Donkey Sanctuary	3	6,661
The Donna Louise Trust	1	1,678
The Elisabeth Svendsen Trust	3	6,661
The Jessie May Trust	1	1,678
The Legacy Rainbow House	1	1,678
The Mayhew House	1	1,678
The North Northumberland Hospice	1	1,606
The Royal Star & Garter Homes	1	1,606
The Royal United Kingdom	1	1,678

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

5. Analysis of grants cont.

The Royal Veterinary College	1	1,678
The Shakespeare Hospice	1	1,606
The Zoological Society of London	1	1,606
Together Against Cancer	1	3,043
Together for Short Lives	1	3,043
Tommy's Baby Charity	3	6,661
Victim Support	3	6,661
Wakefield Hospice	1	1,678
Wessex Cardiac Trust	1	3,043
Zoe's Place Trust	1	1,678
2019 correction	-11	- 27,500
Total	186	412,139

6. Support costs

	2020 £	2019 £
Accountancy fees	2,050	1,745
Auditor's remuneration	6,680	6,540
	8,730	8,285

Support costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are disclosed inclusive of VAT.

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

7. Investments

	2020 £	2019 £
Securities fair value at 6 April 2019	13,674,743	13,036,420
Acquisitions at cost	5,141,639	5,183,988
Sales proceeds from disposals	(5,222,408)	(5,113,022)
Change in fair value	(1,595,310)	567,357
Securities fair value at 5 April 2020	<u>11,998,664</u>	<u>13,674,743</u>
Investments at fair value comprised of:		
UK Fixed Interest securities	1,606,048	1,171,558
Overseas Fixed Interest Securities	4,975,666	2,624,724
UK Equities	203,930	1,979,229
Overseas equities	2,464,710	5,154,671
Alternative Investment	2,748,310	2,744,561
	<u>11,998,664</u>	<u>13,674,743</u>
Securities historical cost at 5 April 2020	<u>9,167,488</u>	<u>12,511,562</u>

The following individual investments are considered to be material (over 5% of portfolio by value) in the context of the portfolio;

- HSBC Corporate Bond Inst Inc which has a portfolio weighting of 7.59% (2019: 7.82%),
- HSBC Global Emerging Market Local Debt which has a portfolio weighting of 8.97% (2019: 0.88%),
- HSBC Global which has a portfolio weighting of 5.86% (2019: 5.2%),
- HSBC UK Gilt Index which has a portfolio weighting of 8.00%,
- HSBC European Index which has a portfolio weighting of 5.81%,
- HSBC American Index which has a portfolio weighting of 11.27%,
- HSBC GIF which has a portfolio weighting of 5.91%,
- HSBC GIG which has a portfolio weighting of 5.78%,
- HSBC Multi Factor Worldwide which has a portfolio weighting of 5.66%.

All security investments held are listed investments.

	2020 £	2019 £
Security investments	11,998,664	13,674,743
Cash investments	190,380	304,869
	<u>12,189,044</u>	<u>13,979,612</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

8. Debtors

	2020 £	2019 £
Accrued income	<u>1,690</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	25,090	17,909
Other creditor	-	27,500
	<u>25,090</u>	<u>45,409</u>

10. Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management fees and certain management and administration costs are charged against the fund in accordance with the terms of the declaration of trust. The trustee has the power to pay or apply the whole or any part of this fund for or towards charitable purposes.

The trustee has the power to transfer funds between unrestricted and endowment funds.

11. Trustee remuneration and related parties

The corporate trustee is a small wholly owned subsidiary of HSBC Holdings plc. The following is a summary of transactions with this entity:

	2020 £	2019 £
Management fees - Corporate Trustee	84,553	81,330
Investment management fees	<u>73,141</u>	<u>65,830</u>

THE ANNANDALE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

11. Trustee remuneration and related parties cont.

At 5 April 2020, £15,550 (2019: £nil) was owed to HSBC Trust Company (UK) Limited.

The above fees include VAT that is irrecoverable by the charity. In addition, as a result of the acquisition and disposal of investments, the charity pay transaction charges to HSBC Bank Plc. The charges are calculated on a sliding scale at a percentage of the transaction value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

No trustee expenses have been incurred during the year or in the previous year.

At 5 April 2020, the trust held an investment in HSBC Holdings plc with a market value of £nil (2019: £64,951).