

**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.