

The Elizabeth Cayzer Charitable Trust

Registered Charity: 1059265

Report and Financial Statements

Year ended 31 March 2021

The Elizabeth Cayzer Charitable Trust

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The Elizabeth Cayzer Charitable Trust

Report of the trustees

The trustees present their annual report and the financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011, and the 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 2 October 2019.

Reference and administrative information

Address:	Cayzer House 30 Buckingham Gate London SW1E 6NN
Governed by:	Irrevocable Deed of Appointment dated 1 November 1996
Trustees:	The Honourable Mrs Elizabeth Gilmour Mr George Ponsonby (<i>appointed 25 February 2021</i>) Mrs Diana Lloyd (<i>until 26 November 2021</i>) Mr Dominic Gibbs Mrs Sonia Barry (<i>appointed 4 January 2021</i>)
Administrator:	The Cayzer Trust Company Ltd Cayzer House 30 Buckingham Gate London SW1E 6NN
Solicitors:	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL
Investment managers:	Smith & Williamson Investment Management Ltd 25 Moorgate London EC2R 6AY Troy Asset Management Ltd 33 Davies Street London W1K 4BP
Independent examiner:	S J Wakefield ACA Dixon Wilson Chartered Accountants 22 Chancery Lane London WC2A 1LS

The Elizabeth Cayzer Charitable Trust

Report of the trustees (continued)

Structure, governance, and management

The trust was established by the Settlor, The Hon. Mrs Gilmour, through an irrevocable Deed of Appointment dated 1 November 1996. The charity was registered by the Charity Commissioners for England and Wales on 19 November 1996 under charity number 1059265.

The trust does not actively fund-raise, and it is not the intention of the trustees to seek or accept donations other than from the Settlor, although the governing document allows them to do so. The trustees are prohibited, under the trust deed, from undertaking any permanent trading activities to raise funds for the charity. The trustees seek to continue the philanthropic work desired by the Settlor through the careful stewardship of the trust's existing resources. All donations to the charity since its inception have been made by the Settlor.

The power of appointing new trustees is vested in the Settlor during her lifetime. New trustees may be appointed at any time, either by way of replacement or addition. The Hon. Mrs Gilmour and Mrs Diana Lloyd were each appointed on 1 November 1996, and Mr Dominic Gibbs was appointed on 18 January 2008. All three served throughout the year ended 31 March 2021. Mr George Ponsonby and Mrs Sonia Barry were each appointed during the year, on 25 February 2021 and 4 January 2021 respectively.

The trustees agree the broad strategy and areas of activity for the trust, including grant-making, investment, risk management, reserves, and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration is delegated to The Hon. Mrs Gilmour, and the financial affairs of the charity are handled by the administrator.

Objectives and activities for the public benefit

The trust deed gives the trustees the power to apply the income and all or such part or parts of the capital for or towards such charitable purposes and to make donations to such charitable institutions as the trustees in their absolute discretion think fit.

In formulating policy, the trustees have taken into account the wishes of the Settlor, which are that the assets of the charity should be used to support and promote the work of museums, galleries, and the architectural heritage of the British Isles. The trustees identify projects and organisations they wish to support and that benefit the public. Projects usually fall within one of the following categories:

- exhibitions which otherwise would not be mounted;
- exhibition catalogues;
- academic conferences;
- conservation of works of art, as well as of buildings of architectural and historic interest, and restoration projects associated with them;
- support of young curators, conservators, and heritage building apprentices; and
- archives and the preservation of artefacts.

They do not consider grants to people or organisations who apply speculatively. The trust also has a policy of not responding to any correspondence unless it relates to grants it has agreed to make or to the general management of the trust.

The trustees, having regard to the Public Benefit Guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same Act.

Achievements and performance

Grants unconditionally pledged during the year were as follows:

- Sir John Soane's Museum – funding for a film project on the restoration of the museum;
- The Wallace Collection – funding to support a senior conservator's post for one year; and
- Wentworth Woodhouse Preservation Trust – funding for various restoration works, including roofing and stone masonry repairs, asbestos removal from cellars, drainage repairs, as well as boiler system, water main, and substation works, in connection with a ground source heat pump project.

The Elizabeth Cayzer Charitable Trust

Report of the trustees (continued)

Investment policy and performance

The charity's investment powers are prescribed in the trust deed. The deed gives the trustees very wide powers of investment and the investment policy of preserving the real value of the trust fund falls within them.

The trustees have set a policy that the expendable endowment should be invested to maximise the total return (capital growth plus income) with a low to medium level of risk. The income from investments for the year was £162,235 (2020 - £200,383), a fall of 19%, due to reduced dividends paid out from the investment portfolio, in line with general falls in equity yields as a result of the Covid-19 pandemic.

Income generated by the expendable endowment is accrued to the unrestricted fund. The trustees have the power to spend the expendable endowment as necessary. No transfers were made during the financial year.

Details of the charity's fixed asset investments are described in note 4 to the financial statements.

Smith & Williamson portfolio

The market value of the portfolio of stocks managed by Smith & Williamson rose over the year by 19.1% (2020 - fall of 6.1%), due to the general rally in investment markets following the sharp declines of March 2020, caused by the onset of the Covid-19 pandemic. This compares with an increase of 23.3% (2020 - fall of 21.9%) in the value of the FTSE All Share Index. The portfolio produced an average income return of 2.6% (2020 - 3.2%).

At the year-end, the portfolio managed by Smith & Williamson comprised 41.0% (2020 - 38.5%) of the total capital assets of the charity, and includes both equities and UK and foreign interest-bearing securities.

Caledonia Investments Plc shareholding

At 31 March 2021, the investment in Caledonia represented 24.8% (2020 - 25.6%) of the total capital assets of the charity. Caledonia reported strong performance for the year, despite the continued effects of the Covid-19 pandemic. The company reports its performance over a long timescale given its longer-term investment strategy. The Caledonia Net Asset Value (NAV) total return (annualised) over 10 years was 8.6% (2020 - 6.9%), well above the FTSE All share Total Return over the same period of 6.0% (2020 - 4.4%). The company continues to pay an increased dividend each year.

Troy Asset Management - Trojan Income Fund

Over the last twelve months the Trojan Income Fund's unit market price has risen by 7.7% (2020 - fall of 13.7%), and generated an income return of 2.9% (2020 - 4.2%) for the year. At the year end, the market value of the funds in the Troy Asset Management Trojan Income Fund comprised 25.7% (2020 - 26.7%) of the total capital assets of the charity.

Risk management

The trustees annually review the risks facing the charity. The charity's risks mainly relate to investment management and these have been ameliorated by diversified portfolio management. Smith & Williamson Investment Management Limited were appointed on 14 February 2007, and actively manage a diversified portfolio of UK and foreign equities and funds along with UK and foreign interest-bearing securities. Further investments were later made into managed funds, thereby introducing another investment manager.

The portfolio performance is reviewed at least annually by the trustees. Regular meetings are held with the portfolio manager at Smith and Williamson.

The Elizabeth Cayzer Charitable Trust

Report of the trustees (continued)

Reserves policy

At 31 March 2021, the trustees carried forward a reserve of £364,087 (2020 - £351,835) on the unrestricted fund and a reserve of £7,279,444 (2020 - £6,503,215) on the expendable endowment fund.

The expendable endowment fund is significant enough to wear the ups and downs of the markets, illustrated by the net losses on investments in 2020 of £794,285 being followed by net gains on investments in 2021 of £787,023. The trust has very low governance and support costs and easily maintains free reserves to cover unrestricted charitable expenditure. Grants are made on a case by case basis, allowing the trustees to be flexible and adapt grant levels as necessary.

Statement of trustees' responsibilities

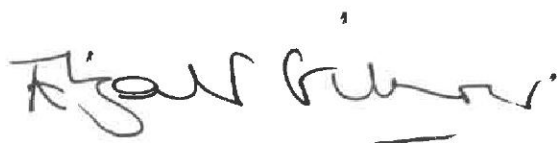
The trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 1 December 2021 and signed on their behalf by



The Honourable Mrs Gilmour
Trustee



Mrs Sonia Barry
Trustee

The Elizabeth Cayzer Charitable Trust

Independent examiner's report to the trustees of The Elizabeth Cayzer Charitable Trust ('the Trust')

I report to the trustees on my examination of the accounts of the Trust for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are satisfied that an audit is not required for this year under charity law and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



S J WAKEFIELD ACA
Dixon Wilson
22 Chancery Lane
London WC2A 1LS

7 December 2021

The Elizabeth Cayzer Charitable Trust

Statement of financial activities for the year to 31 March 2021

	Note	Unrestricted funds £	Expendable endowment funds £	Total 2021 £	Unrestricted funds £	Expendable endowment funds £	Total 2020 £
Income and endowments							
<i>Donations and legacies</i>							
Investment income	2	162,252	(17)	162,235	196,923	3,460	200,383
Total income		162,252	(17)	162,235	196,923	3,460	200,383
Expenditure							
<i>Costs of raising funds</i>							
Investment management costs		—	10,777	10,777	—	10,674	10,674
<i>Expenditure on charitable activities</i>							
Charitable activities	3	150,000	—	150,000	201,706	—	201,706
Total expenditure		150,000	10,777	160,777	201,706	10,674	212,380
Net gains / (losses) on investments	4	—	787,023	787,023	—	(794,285)	(794,285)
Net income / (expenditure) and net movement in funds		12,252	776,229	788,481	(4,783)	(801,499)	(806,282)
<i>Reconciliation of funds</i>							
Total funds brought forward at 1 April	7	351,835	6,503,215	6,855,050	356,618	7,304,714	7,661,332
Total funds carried forward at 31 March	7	364,087	7,279,444	7,643,531	351,835	6,503,215	6,855,050

All income and expenditure is in respect of continuing activities for the current and the previous year.

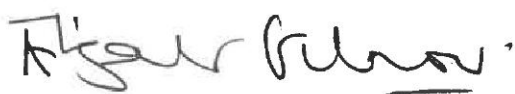
The Elizabeth Cayzer Charitable Trust

Balance sheet at 31 March 2021


	Note	Unrestricted funds £	Expendable endowment funds £	Total 2021 £	Unrestricted funds £	Expendable endowment funds £	Total 2020 £
Fixed assets							
Investments	4	—	6,877,931	6,877,931	—	6,104,060	6,104,060
		—	6,877,931	6,877,931	—	6,104,060	6,104,060
Current assets							
Debtors	5	—	—	—	269	—	269
Cash at bank and in hand		422,287	401,513	823,800	435,521	401,513	837,034
		422,287	401,513	823,800	435,790	401,513	837,303
Creditors falling due within one year	6	(58,200)	—	(58,200)	(83,955)	(2,358)	(86,313)
Net current assets		364,087	401,513	765,600	351,835	399,155	750,990
Net assets		364,087	7,279,444	7,643,531	351,835	6,503,215	6,855,050
The funds of the charity:							
Unrestricted funds	7	364,087	—	364,087	351,835	—	351,835
Expendable endowment funds	7	—	7,279,444	7,279,444	—	6,503,215	6,503,215
Total charity funds		364,087	7,279,444	7,643,531	351,835	6,503,215	6,855,050

Approved by the Trustees on 1 December 2021

and signed on their behalf by



The Honourable Mrs Gilmour
Trustee



Mrs Sonia Barry
Trustee

The Elizabeth Cayzer Charitable Trust

Statement of cash flows for the year to 31 March 2021

	Note	Total funds 2021 £	Total funds 2020 £
Net cash used in operating activities	8	<u>(175,755)</u>	<u>(214,155)</u>
Cash flows from investing activities			
Interest and dividends		162,521	197,693
Investment management fees		(13,135)	(10,897)
Proceeds from sale of investments		474,848	121,540
Purchases of investments		(505,581)	(76,446)
Movement of cash within investment portfolio		43,868	(34,197)
Net cash provided by investing activities		<u>162,521</u>	<u>197,693</u>
Change in cash and cash equivalents in the year		<u>(13,234)</u>	<u>(16,462)</u>
Cash and cash equivalents brought forward	9	837,034	853,496
Cash and cash equivalents carried forward	9	<u>823,800</u>	<u>837,034</u>

The Elizabeth Cayzer Charitable Trust

Notes to the financial statements for the year to 31 March 2021

1. Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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 United Kingdom and Republic of Ireland (FRS 102) issued on 2 October 2019 and the Charities Act 2011.

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

Going concern

The trustees consider that there are no material uncertainties about the trust's ability to continue as a going concern, and that there are no key assumptions that affect items in the accounts.

Funds structure

The charity has an expendable endowment fund created by gifts from the Settlor. The trust deed allows the trustees to accumulate income from this fund as an accretion to capital for a period of 21 years. The trust deed allows this fund to be spent as income or retained as capital at the trustees' discretion.

Income arising from the expendable endowment is unrestricted.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

Dividends and other income from investments are recognised in the financial statements when the charity is entitled to the income. Income from cash deposits is included on an accruals basis.

Gift aid reclaimable on donations to the charity is included with the amount received.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants are charged to the statement of financial activities when paid or when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods. Other expenditure is included in the accounts on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Irrecoverable VAT

Irrecoverable VAT has been charged against the relevant expenditure.

Creditors

Creditors are recognised once the charity has a present obligation resulting from a past event that it is probable will result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

The Elizabeth Cayzer Charitable Trust

Notes to the financial statements for the year to 31 March 2021

2. Investment income	2021 £	2020 £
UK listed investments	128,588	158,404
Non-UK listed investments	26,777	29,557
Interest income	6,870	11,869
Property income distributions	-	553
	<u>162,235</u>	<u>200,383</u>

All investment income is unrestricted income in both years, with the exception of £17 of accrued income charges (2020 - non-cash income of £3,460), which relate to expendable endowment funds.

3. Analysis of charitable activities (Unrestricted funds)	2021 £	2020 £
<i>Donations and grants (see also Note 3a)</i>		
Conservation and restoration	137,500	59,600
Archiving and cataloguing	—	87,206
Conferences, exhibitions, and colloquia	6,800	50,608
	<u>144,300</u>	<u>197,414</u>
<i>Governance costs</i>		
Accounts preparation and administration fee	4,740	3,360
Independent examination fee	960	932
	<u>5,700</u>	<u>4,292</u>
Total expenditure on charitable activities	<u>150,000</u>	<u>201,706</u>

Note 3(a) Recipients of institutional grants:

The charity undertakes its charitable activities through grant making and awarded grants to a number of institutions, art galleries, and museums and heritage trusts which are registered UK Charities, in furtherance of its charitable activities.

	2021 £	2020 £
<i>Recipients of institutional grants:</i>		
Bath Preservation Trust	—	7,076
The British Museum	—	80,130
Dulwich Picture Gallery	—	30,000
The Landmark Trust	—	9,600
The National Gallery : exhibitions / catalogues	—	6,900
The National Gallery : research seminars / academic colloquia / workshops	—	5,384
Sir John Soane's Museum	6,800	—
The Wallace Collection	37,500	8,324
Wentworth Woodhouse Preservation Trust	100,000	50,000
	<u>144,300</u>	<u>197,414</u>

The Elizabeth Cayzer Charitable Trust

Notes to the financial statements for the year to 31 March 2021

4. Fixed asset investments (Expendable endowment funds)	2021	2020
	£	£
Movement in fixed asset investments:		
Opening market values at 1 April	6,104,060	6,905,782
Additions	505,564	79,906
Disposal proceeds	(474,848)	(121,540)
Movement in cash	(43,868)	34,197
Net gain / (loss) on revaluation and on disposal	787,023	(794,285)
Closing market values at 31 March	<u>6,877,931</u>	<u>6,104,060</u>
Investments at fair value comprised:		
Equities	6,242,394	5,417,575
Fixed interest stocks	618,726	625,805
Cash held within the investment portfolio	16,811	60,680
	<u>6,877,931</u>	<u>6,104,060</u>
Material investments at 31 March at fair value		
Caledonia Investments Plc	1,808,757	1,665,150
Troy Asset Management - Trojan Income Fund	1,869,153	1,734,845
5. Debtors (Unrestricted funds)	2021	2020
	£	£
Prepayments and accrued income	<u>—</u>	<u>269</u>
6. Creditors falling due within one year	2021	2020
	£	£
Grants pledged	52,500	79,665
Accruals	5,700	6,648
	<u>58,200</u>	<u>86,313</u>
All creditors relate to unrestricted funds in both years, with the exception of accruals of £2,358 in the prior year, which relate to expendable endowment funds.		
7. The funds of the charity	2021	2020
	£	£
Unrestricted		
Balance at 1 April	351,835	356,618
Incoming resources	162,252	196,923
Resources expended	(150,000)	(201,706)
Balance at 31 March	<u>364,087</u>	<u>351,835</u>
Expendable endowment		
Balance at 1 April	6,503,215	7,304,714
Incoming resources	(17)	3,460
Resources expended	(10,777)	(10,674)
Net gain / (loss) on investment assets	787,023	(794,285)
Balance at 31 March	<u>7,279,444</u>	<u>6,503,215</u>

The Elizabeth Cayzer Charitable Trust

Notes to the financial statements for the year to 31 March 2021

8. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	788,481	(806,282)
Deduct investment income and expenses shown in investing activities	(151,458)	(189,709)
Increase / (decrease) in market value of investments	(787,023)	794,285
Decrease in creditors	(25,755)	(12,449)
	<u>(175,755)</u>	<u>(214,155)</u>

9. Reconciliation of net debt

	Total 2021 £	Total 2020 £
At 1 April (all held in cash)	837,034	853,496
Cash flows for the year	(13,234)	(16,462)
At 31 March (all held in cash)	<u>823,800</u>	<u>837,034</u>

10. Transactions with trustees or connected persons

An administration fee of £4,740 (2020 - £3,360) is payable to a company of which The Hon. Mrs Gilmour, Mr Dominic Gibbs, and Mrs Sonia Barry are directors.

No other arrangement, including transactions, contracts, and grants, existed during the accounting period with trustees or connected persons. No trustees or connected persons received remuneration directly or indirectly from the charity during the accounting period nor did the trustees receive reimbursement of any expenses.

11. Employees

The Trust did not have any employees during the current or previous year.

12. Events after the end of the reporting period

There are no events that have occurred since the end of the reporting period that require disclosure under FRS 102.