

The Malcolm Isaac Charitable Trust
Report and financial statements
For the year ended 5 April 2022

The Malcolm Isaac Charitable Trust

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The Malcolm Isaac Charitable Trust

Trustees' report for the year ended 5 April 2022

The Trustees present their report and accounts for the year ended 5 April 2022. The accounts have been prepared in accordance with the Deed of Trust and the recommendations of 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 (FRS 102) (effective 1 January 2019).

Reference and Administrative information

The following are trustees of the charity:

M J Isaac

S G Treherne (appointed 5 October 2016)

A C Bays (appointed 23 February 2018)

Chairman

M J Isaac

The Principal Office of the charity is:

Onslow House, Onslow Street, Guildford, GU1 4TL

Charity Number : 1064591

Structure, governance and management

The Trust is an unincorporated Trust, constituted under a Trust Deed dated 1 August 1996 and is a registered charity, number 1064591. The Trust was established by the settlor, Malcolm John Isaac with the sum of £100. The deed was subsequently varied by a Deed of Variation dated 18 August 1997 and Supplemental Trust deeds dated 11 May 2009 and 12 June 2009.

The current Trustees are Malcolm Isaac, appointed under the Trust Deed, and Simon Treherne and Andrew Bays, who served as Trustees from 5 October 2016 and 23 February 2018 respectively. The power of appointing new Trustees of the Charity is vested in the settlor during his lifetime. The minimum number of Trustees is three individuals.

The Trustees are required to hold at least one meeting a year. A quorum at a meeting of the Trustees is two Trustees. Decisions are made on a majority of votes cast at a meeting or by a resolution signed by the Trustees. Every Trustee has one vote at the meeting except the chairman who has a second or casting vote.

The Trustees have the following powers under the Trust Deed:

- to apply income as it arises, as well as the whole or part of the capital of the Trust Fund, for such charitable purposes as the Trustees shall think fit, in any part of the world.
- to deposit or invest funds in any manner after taking advice on investing the funds from a suitably qualified financial expert.

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Trustees' report for the year ended 5 April 2022

- to employ agents to transact any business on their behalf, provided that the Trustees exercise reasonable supervision of any person or corporation employed by them, and that all actions exercised by advisors on behalf of the Trustees are reported to them as soon as possible.

The Board keeps the skill requirements for the trustee body under review. New Trustees would be appointed if a current Trustee resigns.

Risk management

The Trustees have considered the major risks to which the Charity is exposed. They have reviewed the risks and established systems and procedures to manage those risks.

The Trustees consider being able to hold adequate funds to meet current liabilities as constituting the Charity's major risk. The Trustees consider that they hold adequate funds to meet current liabilities. They have reviewed their procedures for the assessment of risk management and consider that they have proper procedures in place.

Objectives and activities

The objects of the Charity are for the Trustees to apply the income and capital of the trust for such charitable purposes as they shall see fit in any part of the world with a particular interest in supporting medical and horticultural projects in the local area.

Achievements and performance

The Trustees agreed to donate £20,000 p.a. over the five years commencing 31 January 2016 to a scholarship fund to be known as 'The Malcolm Isaac Nuffield Farming Scholarship Fund'. The fund will be accounted for in a separate restricted fund within Nuffield Farming Investments for the sole purpose of resourcing a number of 'Malcolm Isaac Nuffield Farming Scholarships'. The fund will provide financial support to selected candidates to research topics of interest in farming, food, horticulture or rural sectors with priority given to horticulturists or viniculturists in Hampshire.

During the year, the trustees made discretionary payments of £50,000 to Hampshire Air Ambulance in May 2021.

The Trustees made payments totaling £521,867 during the year towards their commitment of a £1 million donation to St Swithun's School. The Trustees confirm this donation meets the public benefit requirement rules.

The Malcolm Isaac Charitable Trust

Trustees' report for the year ended 5 April 2022

Financial review

Revenue received in the year comprised investment income received on the monies invested and cash held.

As at 5 April 2022 the total funds held for the charity amounted to £2,972,505 (2021: £2,198,682). This includes investment income of £54,446 (2021: investment income of £58,016).

Investment policy and performance

The Trustees' investment advisors submit quarterly investment reports which are reviewed at Trustees' meetings. The investment advisors have been directed to seek a medium risk approach with a balance of income and capital growth. The ultimate objective, being to achieve a good level of income, rising above inflation over the medium to long-term, whilst preserving the capital.

Looking back over the year, markets rounded off a turbulent year. European, UK and North American equities experienced a strong year as economies re-opened from government-led pandemic lockdowns. Government bond yields however weakened returning -6.02%. On 24th February 2022 Russia's invasion of Ukraine sent markets spiraling, in addition to causing an energy crisis that spiked commodity prices and sent inflation to levels not seen in over a decade. As a result, central banks raised rates aggressively in order to tame inflation curbing growth and causing a large-scale correction across all major asset classes.

During the period the portfolio returned 4.55% with 2.69% coming from capital return. The comparator C2 index returned 9.24% due largely to its bias for UK equities. The portfolio remains well diversified, with a mix of high-quality liquid assets that are positioned for both income and growth over the long-term.

Reserves policy

It is the intention of the Trustees to maintain the capital of the trust so as to provide a continuing, and hopefully increasing, stream of income in the short and medium terms. The Trustees consider the Charity's finances are in a strong position and enable the future to be faced with confidence.

The Malcolm Isaac Charitable Trust

Trustees' report for the year ended 5 April 2021

Plans for future periods

In addition to the commitments stated in 'achievements and performance' above, the Trustees have stated during the year that it is their intention to make charitable donations in the future from trust funds and it is not their intention to hold the trust funds indefinitely. The Trustees have considered the impact of covid-19 on the activity of the Trust and have concluded that the Trust will be able to continue to operate as planned for the foreseeable future. It is likely that the impact of the pandemic will increase the needs of some charities and this may result in increased grant expenditure in the future.

Public benefit

The principles of public benefit, as defined by the Charity Commission, have been noted by Trustees. The Trustees confirm having given regard to the Charity Commission's guidance and state their belief that the aims of the trust are to provide identifiable benefits to the public.

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to Charities in England and Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 Trustees are responsible for keeping accounting records which disclose with reasonable accuracy 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) Regulations 2008 and the provisions of the Trust Deed. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees Report was approved on

and signed on their behalf by Malcolm Isaac, trustee.

The Malcolm Isaac Charitable Trust

Independent examiner's report

I report on the accounts of The Malcolm Isaac Charitable Trust for the year ended 5 April 2022, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1 to 13.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts. You consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to examine the accounts under section 145 of the 2011 Act, follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) of the 2011 Act, and state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Susan Kumar ACA
Holden Granat LLP

Springfield House
23 Oatlands Drive
Weybridge
Surrey
KT13 9LZ

Date:

The Malcolm Isaac Charitable Trust

Statement of financial activities for the year ended 5 April 2022

| | Notes | Unrestricted Funds 2022 £ | Unrestricted Funds 2021 £ |
|--|-------|------------------------------------|------------------------------------|
| INCOME | | | |
| Donations | | - | - |
| Investment income | 3 | 54,446 | 58,016 |
| Interest on tax repayment | | - | - |
| Income tax repayment | | - | - |
| Total income | | <u>54,446</u> | <u>58,016</u> |
| EXPENDITURE | | | |
| Cost of raising funds: | | | |
| Investment management costs | | 17,338 | 18,453 |
| Expenditure on charitable activities | 4 | 178,416 | 97,889 |
| Total expenditure | | <u>195,754</u> | <u>116,342</u> |
| Net expenditure and net movement in funds before gains and losses on investments | | (141,308) | (58,326) |
| Net gains/(losses) on investment | 7 | 101,648 | 821,137 |
| Net movement in funds | | <u>(39,660)</u> | <u>762,811</u> |
| Total funds brought forward | | <u>2,158,682</u> | <u>1,395,871</u> |
| Total funds carried forward | 11 | <u><u>2,119,022</u></u> | <u><u>2,158,682</u></u> |

The notes on pages 8 to 13 form part of the accounts.

The Malcolm Isaac Charitable Trust

Balance sheet

| | Notes | 2022 £ | 2021 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Investments | 7 | 2,594,119 | 2,979,662 |
| Current assets: | | | |
| Debtors | 8 | 441 | 441 |
| Cash | 9 | 52,190 | 173,304 |
| Total current assets | | 52,631 | 173,745 |
| Liabilities | | | |
| Creditors falling due within one year | 10 | 147,728 | 145,808 |
| Total assets less current liabilities | | (95,097) | 27,937 |
| Creditors falling due after more than one year | 10 | 380,000 | 848,917 |
| Net current liabilities | | (475,097) | (820,980) |
| Net assets | | 2,119,022 | 2,158,682 |
| The funds of the charity: | | | |
| Unrestricted Trust Fund | | 2,119,022 | 2,158,682 |
| Total charity funds | 11 | 2,119,022 | 2,158,682 |

The notes at pages 8 to 13 to form part of these accounts.

Approved by the Trustees on

and signed on their behalf by Malcolm Isaac, trustee.

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

The accounts have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), and with the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 issued in 2014 and revised in 2019. The financial statements are also prepared in accordance with the Charities Act 2011.

The charity is a public benefit entity as defined by FRS 102.

Exemption

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by the FRS 102.

- the requirements of Section 7 Statement of Cash Flows.

Fund accounting

The funds held are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Going concern

The trustees are confident that the charity will continue to be a going concern and the financial statements have been prepared on this basis.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022

Investments

Investments are stated at market value at balance sheet date. Realised gains and losses on investments, calculated on the difference between the sale proceeds and their cost are credited or charged to the Statement of Financial Activities (SOFA) in the year of gains or losses.

Unrealised gains and losses representing the movement in the market values during the year are credited or charged to the SOFA in the year of gains or losses.

Liabilities

Liabilities are recognised on the balance sheet as soon as a constructive obligation resulting from a past event can be reliably measured. Current liabilities represent those liabilities which are expected to be settled within the next 12 months from the balance sheet date.

2 Legal status of the trust

The Charity is governed by a trust deed dated 1 August 1996 and is constituted as a charitable trust.

3 Investment income

| | 2022 £ | 2021 £ |
|---------------------------------------|---------------|---------------|
| Interest on deposits | - | 49 |
| Investment income on investments held | 54,446 | 57,967 |
| | <u>54,446</u> | <u>58,016</u> |

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022

4 Expenditure on charitable activities

| | 2022 £ | 2021 £ |
|----------------------|----------------|---------------|
| Independent examiner | 1,080 | 1,080 |
| Grants (note 5) | 167,950 | 91,000 |
| Accountancy fees | 5,840 | 5,809 |
| Legal fees | 3,546 | - |
| | <u>178,416</u> | <u>97,889</u> |

5 Grants to institutions approved in the year

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| At 6 April 2021, approved grants unpaid | 983,917 | 1,445,000 |
| Provision for grants in earlier year no longer required | - | - |
| Grants approved in the year | | |
| Air Ambulance | 50,000 | 50,000 |
| Nuffield | - | 40,000 |
| Rosemary Foundation | 40,000 | - |
| Game & Wildlife Conservation Trust | - | 1,000 |
| Nuffield Farming Scholarship Trust | 77,950 | - |
| Grants paid in the year | (641,867) | (552,083) |
| | <u>510,000</u> | <u>983,917</u> |
| At 5 April 2022, approved grants unpaid | | |
| Grants falling due for payment within one year | 130,000 | 135,000 |
| Grants falling due for payment after one year | 380,000 | 848,917 |
| | <u>510,000</u> | <u>983,917</u> |

6 Staff costs and numbers

There were no employees of the charity in the year to 5 April 2022 (2021 - none).

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022

7 Investments at market value

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Balance brought forward | 2,979,662 | 2,700,319 |
| Additions | 107,317 | 64,006 |
| Disposals | (594,508) | (605,800) |
| Change in market value in the year | 101,648 | 821,137 |
| | <u>2,594,119</u> | <u>2,979,662</u> |
| | £ | £ |
| Proceeds from sale of investments | 594,508 | 605,800 |
| Disposals at cost | (414,910) | (494,678) |
| | <u>179,598</u> | <u>111,122</u> |
| Realised surplus | | |
| | <u>179,598</u> | <u>111,122</u> |
| Gain/(loss) on investment assets: | | |
| | £ | £ |
| Unrealised gains/(losses) | (77,950) | 710,015 |
| Realised gains/(losses) | 179,598 | 111,122 |
| | <u>101,648</u> | <u>821,137</u> |

All investments are held to provide an investment return.

During the year the following investments exceeded 5% of the total investment value:

| | £ | £ |
|-----------------------------------|---------|---------|
| Lion Trust Fund Partners LLP | 117,487 | 168,571 |
| Findlay Park Funds PLC | 138,886 | 147,467 |
| JP Morgan Asset Management UK Ltd | 137,288 | 117,232 |

Analysis of investments by category of holding:

| | £ | £ |
|-------------------------|------------------|------------------|
| Fixed interest | 280,711 | 339,821 |
| Alternative Investments | 492,243 | 500,812 |
| Equities | 1,821,165 | 2,139,029 |
| | <u>2,594,119</u> | <u>2,979,662</u> |

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022

7 Investments at market value (continued)

Analysis of investments by location:

| | 2022 £ | 2021 £ |
|---------------------------------|------------------|------------------|
| Investments held in the UK | 1,420,105 | 1,409,099 |
| Investments held outside the UK | 1,174,014 | 1,570,563 |
| | <u>2,594,119</u> | <u>2,979,662</u> |

8 Debtors

| | 2022 £ | 2021 £ |
|----------------------|------------|------------|
| Due within one year | | |
| Income tax repayment | 441 | 441 |
| | <u>441</u> | <u>441</u> |

9 Cash held

| | 2022 £ | 2021 £ |
|--|---------------|----------------|
| Smith & Williamson Investment Management | | |
| Investment Account | 35,510 | 156,773 |
| Dividend Account | 16,680 | 16,531 |
| | <u>52,190</u> | <u>173,304</u> |

10 Creditors:

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Grants | 130,000 | 135,000 |
| Accountancy | 10,809 | 4,969 |
| Independent Examiner's fee | 2,160 | 1,080 |
| Investment Management fee | 4,759 | 4,759 |
| | <u>147,728</u> | <u>145,808</u> |
| Creditors falling due after more than one year: | | |
| Grants | 380,000 | 848,917 |

The Malcolm Isaac Charitable Trust

Notes to the accounts for the year ended 5 April 2022 (cont.)

11 Net assets of the funds of the charity

| | Fixed assets £ | Net current liabilities £ | Fund balance £ |
|--------------------|----------------------|------------------------------------|----------------------|
| Unrestricted funds | 2,594,119 | (475,097) | 2,119,022 |
| | <u>2,594,119</u> | <u>(475,097)</u> | <u>2,119,022</u> |

12 Related party transactions and Trustees' remuneration and expenses

No member of the Board of Trustees received any remuneration for his/her services or reimbursed expenses during the year end 5 April 2022 (2021: none).

13 Taxation

As a charity, the Trust is exempt from tax on income and gains falling within section 524 to 536 Income Taxes Act 2007 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.