

Company Registration Number: 3965249

Charity Registration Number: 1080198

**THE LENNOX HANNAY CHARITABLE TRUST**  
(a Company Limited by Guarantee and Registered as a Charity)

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2021

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## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021**

The Lennox Hannay Charitable Trust is a charitable company limited by guarantee and incorporated in England and Wales as Company number 3965249 on 31 March 2000 and registered as Charity number 1080198 on 3 April 2000.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

#### **TRUSTEES/DIRECTORS**

T J Douglas-Home  
C F Wilmot-Sitwell  
RF Trustee Co. Limited \*\*  
J K King

#### **COMPANY SECRETARY**

C E S Scott

#### **REGISTERED OFFICE**

15 Suffolk Street  
London  
SW1Y 4HG

#### **INDEPENDENT AUDITOR**

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

#### **REGISTERED COMPANY NUMBER**

3965249

#### **REGISTERED CHARITY NUMBER**

1080198

\*\* The directors of RF Trustee Co. Limited as at the year end were:

P Fleming  
R M Fleming  
E R H Perks  
R D Schuster  
L J Sutro

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a Director's Report and Accounts for Companies Act purposes.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, as amended, the Companies Act 2006 and the reviewed Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trustees who held office throughout the year are shown on page 1.

New Trustees, when required, are selected by the serving Trustees and are appointed by a Resolution of existing Trustees. New Trustees are informed of the history of the Charity and acquainted with the activities of the Charity.

No Trustee receives a fee for the service they provide to the charity, all time spent is donated free of charge.

RFT Management Services Limited provides the charity with corporate/charity administration and financial reporting services. The Trustees receive regular reports from RFT Management Services Limited.

The Trustees meet a minimum of two times a year.

**OBJECTS AND ACTIVITIES**

The Charity's objects are to promote and support such charitable purpose or purposes and such charitable organisation or organisations, being purposes and organisations, which are exclusively charitable according to the law of England and Wales, as the Trustees shall from time to time at their discretion decide.

The Charity's objectives are wide in scope and allow the Trustees to modify their grant-making activity to consider varying charitable demands over time. This means that funding can be applied where the Trustees consider that it is most needed.

In furtherance of the objectives the Trustees continue to make grants to charitable organisations both on a one-off and recurring basis.

The Trustees aim to continue to generate sufficient income to allow the Charity to meet its grant-making objective. This will be achieved by focusing on the long-term sustainability of the investments and maintaining the capital value to support this income requirement.

The Trustees monitor the performance of the investments against their income requirement and capital growth objectives in supporting income. Performance is discussed regularly with the investment managers against suitable industry benchmarks.



TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

GRANT MAKING POLICY

The Trustees support a variety of charitable purposes by providing financial support to other registered charities.

Whilst the Trustees are able to advance funds out of the expendable endowment fund, the intention for the foreseeable future is to pay expenses and grants solely out of income.

The Trustees met twice during the course of the financial year covered by this report, in order to consider the applications for assistance made to them either by postal application received at the Charitable Trusts registered office or by personal application to the Trustees. Each application is reviewed on its own merit.

The Trustees have indicated to certain charities that they may make further grants in forthcoming years. The Trustees retain the option to discontinue those prospective instalments at any time.

The Trustees require all beneficiaries to acknowledge grants made and where possible to provide an update as to how funds have been applied by them in meeting their own charitable objectives and hence that the funds have been put to good use.

The Trustees have considered the Charity Commission guidance on public benefit including the guidance "public benefit running a charity" when formulating the grant making policy. The Trustees consider how grants can be made to ensure maximum benefit flows through to the intended ultimate beneficiaries.

ACHIEVEMENTS AND PERFORMANCE

With the objects in mind the Trustees, during the course of the financial year covered by this report, made 127 grants totalling £575,534 to a variety of charitable causes. These charities benefitted by way of increased financial resources to meet their charitable objects. The grants benefitted a number of public causes, as detailed in note 7.

The Trustees continued with their policy of making a mixture of smaller (£2,000 and below), medium (up to £25,000) and larger grants (£25,000 and above or longer-term funding that total more than £25,000). The Trustees are mindful that some projects require much larger funding levels to be effective.

A wide variety of causes were supported, the most significant was in the areas of

- advancement of health or the saving of lives
- advancement of education
- advancement of the arts, culture, heritage or science
- The prevention or relief of poverty
- The advancement of environmental protection or improvement.

The Trustees look forward to being able to continue their charitable work in the coming years in accordance with the grant making policy, which reflects the objectives of the Charity.

FINANCIAL REVIEW

The Charity's principal source of income is from its investments, which amounted to £637,696 (2020-£873,568).

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

### FUTURE PLANS

The Trustees have carefully considered the impacts of coronavirus on the charity. Whilst the charity has no staff it has received confirmation from RFT Management Services Limited (RFTMS) who provide all charity administration and financial accounting services that RFTMS have taken necessary steps to protect their staff. The Trustees have and continue to follow Government advice and will monitor future developments closely.

The Trustees do not envisage any material change to the operation of the Charity in the long-term. The investments will continue to be managed on a similar basis to now. Notwithstanding this, the Trustees remain flexible in terms of the type of organisations supported so as to meet the demands of the day.

### RESERVES POLICY

It is the Trustees' intention to sustain the unrestricted funds at a level which will provide sufficient investment income to cover the charity's management and administration costs and to be able to respond to any emergency applications for support that may arise from time to time as well as to continue making grants in accordance with the policy stated above in the paragraph relating to the Grant Making Policy of the Trustees. At the Balance Sheet date the unrestricted expendable endowment of the charity amounted to £32,829,661 (2020: £29,285,598). The Trustees consider a sustainable level for undistributed funds to be £150,000. At the year end the undistributed income fund stands at £165,778 and the Trustees are satisfied with this level.

### INVESTMENT POLICY

The Trustees have agreed an investment policy for the Charity's investment portfolio and have instructed the investment managers that the portfolio is to be invested to produce a suitable mixture of income, in order that the level of grants may be maintained and capital growth to secure the future of the Charity in the coming years. This policy is monitored by regular investment reports and meetings with the investment managers.

To meet these objectives, the Charity's investments are managed across a range of asset classes, maintaining diversification, to produce an appropriate balance between risk and return.

The Trustees have decided that it would be inappropriate to impose any specific ethical investment constraints upon the investment manager over and above those already contained within the managers' own ethical and socially responsible investment policies.

### RISK MANAGEMENT

The Trustees have reviewed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate those risks. The principal risk faced by the Charity is an investment risk. This risk could be the reduction in the capital value of the investments and the income derived from the investments, required by the Trustees in meeting their charitable objectives. This risk has been addressed by the appointment of professional advisors to monitor investment performance and to decide on acquisitions and disposals.

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

#### KEY MANAGEMENT PERSONNEL

The Trustees are considered to be the Key Management Personnel of the charity, the Trustees are not remunerated for their services and there are no paid staff employed by the Trust. Day to day management is carried out under an agreement with RFT Management Services Limited. Administration costs (excluding assets management and governance costs) amounted to 6% of income (2020: 5%).

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees (who are the directors of the Lennox Hannay Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the resources and application of resources, including the income and expenditure for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether UK Accounting Standards have been followed subject to any material departures 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 business.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for keeping the accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that the Trustees' Annual Report is prepared in accordance with company law in the United Kingdom.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

INDEPENDENT AUDITOR

In accordance with Section 487(2) of the Companies Act 2006, Moore Kingston Smith LLP are deemed to be reappointed as auditors of the Company for the following year.

SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees and signed on their behalf by:



C E S Scott  
Company Secretary  
Date: 28 October 2021

The Lennox Hannay Charitable Trust  
Company Registered Number 3965249  
Charity Registered Number 1080198

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2021**

**Opinion**

We have audited the financial statements of The Lennox Hannay Charitable Trust ('the charitable company ') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2021 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 4 - 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)**

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY  
CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross, Statutory auditor  
Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 28 October 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



# THE LENNOX HANNAY CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Expendable Endowment	Unrestricted income	Total	
	NOTE	2021 £	2021 £	2021 £	2020 £
<b>INCOME</b>					
Investment income	4	-	637,696	637,696	873,568
Other income	4	-	78,654	78,654	66,000
<b>TOTAL INCOME</b>		-	716,350	716,350	939,568
<b>EXPENDITURE</b>					
Costs of generating funds	5	-	156,324	156,324	120,523
Charitable activities	7	-	631,395	631,395	767,873
<b>TOTAL EXPENDITURE</b>		-	787,719	787,719	888,396
Gains /(losses) on investments					
Gains/(Losses) on revaluation	9	3,400,351	-	3,400,351	(2,494,072)
Realised Gains on disposal	9	230,532	-	230,532	47,787
Unrealised gains on revaluation of Investment property	13	-	-	-	260,998
<b>NET INCOME/(EXPENDITURE)</b>		3,630,883	(71,369)	3,559,514	(2,134,115)
(Losses)/Gains on foreign exchange		(15,451)	-	(15,451)	4,854
<b>NET MOVEMENT IN FUNDS</b>		3,615,432	(71,369)	3,544,063	(2,129,261)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		29,048,451	237,147	29,285,598	31,414,859
<b>BALANCE CARRIED FORWARD</b>		<b>32,663,883</b>	<b>165,778</b>	<b>32,829,661</b>	<b>29,285,598</b>

**CONTINUING OPERATIONS:** all of the charity's activities relate to continuing operations.

**TOTAL RECOGNISED GAINS AND LOSSES:** the charity has no recognised gains and losses other than those shown in the statement of financial activities.

# THE LENNOX HANNAY CHARITABLE TRUST

## BALANCE SHEET AS AT 31 MARCH 2021

	NOTE	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investment Property	13	5,195,000	5,130,000
Investments	9	26,759,023	21,794,278
		<u>31,954,023</u>	<u>26,924,278</u>
<b>CURRENT ASSETS</b>			
Debtors	10	46,508	-
Cash at Bank		890,703	2,429,220
		<u>937,211</u>	<u>2,429,220</u>
<b>LIABILITIES</b>			
Creditors: falling due within one year	11	(61,573)	(67,900)
<b>NET CURRENT ASSETS</b>		<u>875,638</u>	<u>2,361,320</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,829,661</u>	<u>29,285,598</u>
Representing:			
<b>UNRESTRICTED FUNDS</b>			
Expendable Endowment	12	32,663,883	29,048,451
Income	12	165,778	237,147
		<u>32,829,661</u>	<u>29,285,598</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue on 28 October 2021 and signed on their behalf by:



T J Douglas-Home  
Trustee

The Lennox Hannay Charitable Trust  
Company Registered Number 3965249  
Charity Registered Number 1080198

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
<b>NET CASH ABSORBED BY OPERATING ACTIVITIES</b> (see below)		(856,005)	(967,057)
<b>Cash flows from investing activities</b>			
Dividends and interest from investments	4	637,696	873,568
Other Incoming Resources	4	78,654	66,000
Proceeds from the sale of investments	9	3,090,333	8,391,343
Purchase of investments	9,13	(4,489,195)	(7,750,000)
Net cash provided by investing activities		(617,512)	1,580,911
<b>Change in cash in period ended 31 March 2021</b>		(1,538,517)	613,854
Cash brought forward		2,429,220	1,815,366
Cash at 31 March 2021		890,703	2,429,220
<b>RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net movement in funds for the period ended 31 March 2021 (as per the Statement of Financial Activities, page 11)		3,544,063	(2,129,261)
Adjustments for:			
Dividends and interest from investments	4	(637,696)	(873,568)
Other Incoming Resources	4	(78,654)	(66,000)
Realised loss on the sale of investments	9	(230,532)	(47,787)
Unrealised loss in revaluing investments	9	(3,400,351)	2,233,074
(Increase)/Decrease in debtors	10	(46,508)	27,428
(Decrease) in creditors	11	(6,327)	(110,943)
<b>Net cash provided by operating activities (see above)</b>		(856,005)	(967,057)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee in the United Kingdom and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011. The accounts are prepared in sterling, which is the functional currency of the Charity, and rounded to the nearest pound.

(b) Going Concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have carefully considered the impacts of coronavirus on the charity. Whilst the charity has no staff it has received confirmation from RFT Management Services Limited (RFTMS) who provide all charity administration and financial accounting services that RFTMS have taken necessary steps to protect their staff. The Trustees have and continue to follow Government advice and will monitor future developments closely. With respect to the next reporting period, 2021-22, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(c) Fund Structure

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

The Expendable Endowment Fund represents those assets which are held for the longer term for the Charity. Income arising on the Expendable Endowment Fund can be used in the Unrestricted Income Fund. As the Expendable Endowment Fund can be used in accordance with the objects of the Charity and is included in the unrestricted income, capital can also be spent in certain circumstances in fulfilment of the Charity's objectives. Any capital gains or losses arising on the investments held in the Expendable Endowment Fund form part of that fund.

(d) Income

All income is recognised in the Statement of Financial Activities (SOFA) when the conditions for receipts have been met and there is reasonable assurance of receipt. The following accounting policies are applied to different categories of income:

*Investment Income*

Investment income is accounted for when receivable.

*Rental Income*

Rental income from the investment property is accounted for on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

1. ACCOUNTING POLICIES (CONT'D)

(e) Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to the different categories of expenditure:

*Costs of generating funds*

The costs of generating funds consist of investment management and related costs.

*Charitable Activities*

Costs of charitable activities include grants made and support and governance costs. Grants payable are recognised when they are approved by the Trustees and the recipient of the grant has been informed of the amount to be paid.

*Support and Governance Costs*

Support and governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include expenses related to statutory audit fees, professional and legal fees and support costs.

(f) Fixed Asset Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses on revaluation and disposals throughout the year.

The unlisted investments are valued according to the amount stated by the Investment Fund Managers.

The investment property is shown in the Balance Sheet as at 31 March 2021 at market value and is subject to periodic revaluation by a qualified valuer every five years (note 13).

(g) Foreign Currency Transactions

Transactions in foreign currencies are recognised at the rate of exchange at the date of transaction. Monetary assets and liabilities are translated into sterling at the rate of exchange on the balance sheet date. Exchange differences are recognised through the statement of financial activities.

(h) Realised and Unrealised Gains and Losses

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as all the difference between sales proceeds and opening market value (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).

(i) Critical accounting estimates and areas of judgement

In preparing financial statements, it is necessary to make certain adjustments, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amount recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

# THE LENNOX HANNAY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

### 1. ACCOUNTING POLICIES (CONT'D)

#### (j) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

#### (k) 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.

### 2. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

In the year ended 31 March 2021, none of the Trustees received any remuneration or had expenses reimbursed by the Charity. The company has no employees.

The Trustees are considered to comprise the Charity's key management.

### 3. LIABILITY OF MEMBERS

The Lennox Hannay Charitable Trust is a charitable company limited by guarantee.

Each member of the Charity undertakes to contribute such an amount as may be required (not exceeding £10) to the Charity's assets if it should be wound up whilst he/she is a member.

### 4. INCOME

	2021	2020
	£	£
Income from Investments	637,615	872,973
Rent from investment property	78,654	66,000
Interest on cash deposits	81	595
	<u>716,350</u>	<u>939,568</u>

### 5. COSTS OF GENERATING FUNDS

	2021	2020
	£	£
Investment Management Fees	99,929	90,502
Custodian Fees	19,795	21,955
Investment Property Fees	36,600	8,066
	<u>156,324</u>	<u>120,523</u>

# THE LENNOX HANNAY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

### 6. CHARITABLE ACTIVITIES

The charity undertook no direct charitable activities but awarded grants to a number of institutions in furtherance of its charitable activities. These are as follows: -

	£
Westminster City School General Charitable Trust	50,000
Fleming Wyfold Art Foundation	25,000
Game & Wildlife Conservation Trust	25,000
(The) Garden Museum	25,000
Missing Salmon Alliance	25,000
Grants above £2,000 and below £25,000	329,534
Grants £2,000 and below	96,000
	<u>575,534</u>

### 7. ANALYSIS OF GRANTS MADE

The number of grants and amounts payable in the year were made for the following purposes:

	2021 No.	2020 No.	2021 £	2020 £
The prevention or relief of poverty	16	10	55,500	46,000
The advancement of education	24	23	172,534	192,530
The advancement of religion	4	5	32,000	58,000
The advancement of health or the saving of lives	29	28	83,500	256,500
The advancement of citizenship or community development	4	7	5,000	40,000
The advancement of the arts, culture, heritage, or science	12	7	104,000	40,000
The advancement of amateur sports	2	6	4,000	14,000
The advancement of human rights, conflict resolution or the promotion of religious or racial harmony or equality and diversity	-	1	-	1,000
The advancement of environmental protection or improvement	5	3	53,000	27,000
The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage	22	8	40,000	26,000
The advancement of animal welfare	8	7	25,000	11,000
The promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services	1	2	1,000	2,000
	<u>127</u>	<u>107</u>	<u>575,534</u>	<u>714,030</u>
Reversal of Prior Year Cancelled Grant	-	-	-	(5,000)
Support and Governance costs (see note 8)	-	-	55,861	58,843
<b>Total</b>	<u>127</u>	<u>107</u>	<u>631,395</u>	<u>767,873</u>

# THE LENNOX HANNAY CHARITABLE TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

### 8. SUPPORT AND GOVERNANCE COSTS

	Unrestricted Expendable Endowment	Unrestricted Income	2021 Total	2020 Total
	£	£	£	£
Support /Administrative Costs				
Charity Administration and Financial Reporting	-	45,742	45,742	48,352
Governance Costs				
Auditor's remuneration: current year	-	10,000	10,000	10,000
Auditor's remuneration: prior year over accrual	-	(220)	(220)	(520)
Legal and Professional Fees	-	-	-	720
Bank charges	-	339	339	291
To Charitable activities	-	(55,861)	(55,861)	(58,843)
	-	-	-	-

### 9. FIXED ASSET INVESTMENTS

#### Movement in fixed asset investments

	Unlisted Securities		Listed Securities		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Market Value brought forward	696,878	1,010,341	21,097,400	23,871,565	21,794,278	24,881,906
Add acquisitions at cost	-	-	4,424,195	7,750,000	4,424,195	7,750,000
Less disposal proceeds	(110,923)	(384,073)	(2,979,410)	(8,007,270)	(3,090,333)	(8,391,343)
Realised (loss)/gains on disposal	(15,689)	44,005	246,221	3,782	230,532	47,787
Net (loss)/gain on revaluation	(92,191)	26,605	3,492,542	(2,520,677)	3,400,351	(2,494,072)
<b>Market Value at 31 March</b>	<b>478,075</b>	<b>696,878</b>	<b>26,280,948</b>	<b>21,097,400</b>	<b>26,759,023</b>	<b>21,794,278</b>
<i>Historical Cost at 31 March</i>	<i>831,467</i>	<i>966,705</i>	<i>24,252,172</i>	<i>22,675,432</i>	<i>25,083,639</i>	<i>23,642,137</i>
<b>Geographical Analysis</b>						
United Kingdom Investments	20,247	152,530	24,344,664	19,448,145	24,364,911	19,600,675
Overseas Investments	457,828	544,348	1,936,284	1,649,255	2,394,112	2,193,603
	<b>478,075</b>	<b>696,878</b>	<b>26,280,948</b>	<b>21,097,400</b>	<b>26,759,023</b>	<b>21,794,278</b>

The following investments comprise in excess of 5% of the value of the portfolio:

Investment	Holding	Value £
Charities Property Fund	2,431,129	3,018,611
Artemis Income Fund	950,192	2,318,752
Rathbone Ethical Bond Fund	2,089,223	2,167,151
Ballie Gifford International Fund	25,895	2,160,931
M&G Equity Investment Fund for Charities	136,959	2,016,601
Royal London Ethical Bond Fund	1,661,041	1,978,300
C F Trojan INC "S"	1,003,775	1,765,743
Evenlode Global Income Fund	1,279,883	1,654,890
BNY Mellon Global Income Fund	884,564	1,643,344
Artemis GBL SEL	1,072,869	1,427,967
Trojan Income Fund	495,054	1,413,135
Hermes	773,612	1,367,747



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

10. DEBTORS

	2021	2020
	£	£
Rent Due	45,654	-
Rent Deposit	854	-
	<u>46,508</u>	<u>-</u>

11. CREDITORS -amounts falling due within one year

Creditors falling due within one year

	2021	2020
	£	£
Accruals	53,793	67,900
Grants Creditors	7,780	-
	<u>61,573</u>	<u>67,900</u>

12. FUND ANALYSIS

	Unrestricted Expendable Endowment	Unrestricted Income	2021 Total
	£	£	£
Property	5,195,000	-	5,195,000
Investments	26,759,023	-	26,759,023
Cash at Bank	709,860	180,843	890,703
Debtors	-	46,508	46,508
Creditors	-	(61,573)	(61,573)
	<u>32,663,883</u>	<u>165,778</u>	<u>32,829,661</u>

	Unrestricted Expendable Endowment	Unrestricted Income	2020 Total
	£	£	£
Property	5,130,000	-	5,130,000
Investments	21,794,278	-	21,794,278
Cash at Bank	2,124,173	305,047	2,429,220
Debtors	-	-	-
Creditors	-	(67,900)	(67,900)
	<u>29,048,451</u>	<u>237,147</u>	<u>29,285,598</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT'D)

**13. INVESTMENT PROPERTY**

The property owned by the Charity is known as Sarsgrove Farm, the address being, Churchill, Chipping Norton, Oxfordshire OX7 6PB and consists of the following:

Sarsgrove Farmhouse, plus farm workshop, general purpose barn, a range of stables, a menage and a covered horse walker Number 1 and Number 2 Cedar Cottages, Sarsbank Cottage, plus large farm building, 231.96 acres of farm and woodland.

The date of completion of the purchase was 7<sup>th</sup> December 2009, the purchase price (book cost) being £4,186,166 including legal costs. Since the purchase date, the valuation of the property has moved as follows:

	£
Purchase price	4,186,166
Additions during 2013	4,200
Additions during 2015	9,002
Additions during 2021	65,000
Unrealised gain 2014	669,634
Unrealised gain 2020	260,998
	<u>5,195,000</u>

**14. RELATED PARTY TRANSACTIONS**

One of the Trustees is a Trustee of Westminster City School General Charitable Trust to whom a grant of £50,000 was paid during the year (2020: £30,000).

One of the Trustees' close family members is Pro-Chancellor of the Bristol University to whom a grant of £20,000 was paid during the year (2020: £40,000).

The sponsored student, Darlene Delizo/University of Hertfordshire, is known to one of the Trustees. The amount of the grant was £17,609 (2020: £16,350)

One of the Trustees' close family members is the Founder and Director of Clear Public Space to whom a grant of £7,780 was made during the year (2020: nil).

Two of the RF Trustee Co. Limited directors are directors of RFT Management Services Limited to whom £51,412 was paid in the year in respect of charity administration fees (2020: £48,352).

One of the RF Trustee Co. Limited directors is a trustee of The Fleming – Wyfold Art Foundation to whom a grant of £25,000 was paid in the year (2020: £10,000).