

Company Registration Number: 03965249  
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 2023**

## **THE LENNOX HANNAY CHARITABLE TRUST**

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## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023**

The Lennox Hannay Charitable Trust is a charitable company limited by guarantee and incorporated in England and Wales as Company number 03965249 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**

C F Wilmot-Sitwell

T J Douglas-Home

J K King

RF Trustee Co. Limited \*\*

#### **COMPANY SECRETARY**

C E S Scott

#### **REGISTERED OFFICE**

14 Buckingham Street

London

WC2N 6DF

#### **INDEPENDENT AUDITOR**

Hazlewoods LLP

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

#### **REGISTERED COMPANY NUMBER**

03965249

#### **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

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 March 2023 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 2022, 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.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (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 125 grants totalling £664,925 to a variety of charitable causes. 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

- The advancement of education
- The advancement of health or the saving of lives
- The relief of those in need by reason of youth, age, ill-health, disability, financial or other disadvantage
- 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.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)**

#### **FINANCIAL REVIEW**

The Charity's principal source of income is from its investments, which amounted to £831,805 (2022: £725,191).

#### **FUTURE PLANS**

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 £32,059,538 (2022: £33,651,912). The Trustees consider a sustainable level for undistributed funds to be £150,000. At the year end the undistributed income fund stands at £213,430 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.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (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 5% of income (2022: 6%).

#### **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.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)**

#### **INDEPENDENT AUDITOR**

Hazelwoods LLP were appointed as auditors within the year and have expressed their willingness to continue in office.

#### **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

22 August 2023

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



## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023**

We have audited the financial statements of The Lennox Hannay Charitable Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2022.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **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. The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. 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.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2023 (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.

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

We have nothing to report in respect of the following matters where the Charities Act 2022 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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.

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

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

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

- 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 charity's internal control.

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)**

- 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 charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

We communicate with those charge 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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing the risk of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory requirements applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 March 2023 has been undertaken;
  - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach,

## **THE LENNOX HANNAY CHARITABLE TRUST**

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### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LENNOX HANNAY CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)**

however controls were in place to prevent fraud, and they appeared to be working effectively;

- Challenging assumptions and judgements made by management in its significant accounting estimates.

#### **Use of our report**

This report is made solely to the charity'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 charity'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 anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Martin Howard*

Martin Howard (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date: 30/8/2023

Hazlewoods 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 2023

		Unrestricted Expendable Endowment	Unrestricted income	Total	
	NOTE	2023 £	2023 £	2023 £	2022 £
<b>INCOME</b>					
Investment income	4	-	831,805	831,805	725,191
Other income	4	6,721	78,594	85,315	91,967
<b>TOTAL INCOME</b>		<b>6,721</b>	<b>910,399</b>	<b>917,120</b>	<b>817,158</b>
<b>EXPENDITURE</b>					
Costs of generating funds	5	-	127,940	127,940	147,902
Charitable activities	7	-	717,991	717,991	686,060
<b>TOTAL EXPENDITURE</b>		<b>-</b>	<b>845,931</b>	<b>845,931</b>	<b>833,962</b>
Gains on investments					
Gains on revaluation	9	(1,542,306)	-	(1,542,306)	730,362
Realised Gains on disposal	9	(120,496)	-	(120,496)	109,478
<b>NET INCOME/(EXPENDITURE)</b>		<b>(1,656,081)</b>	<b>64,468</b>	<b>(1,591,613)</b>	<b>823,036</b>
Losses on foreign exchange		(749)	(12)	(761)	(785)
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,656,830)</b>	<b>64,456</b>	<b>(1,592,374)</b>	<b>822,251</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		33,502,938	148,974	33,651,912	32,829,661
<b>BALANCE CARRIED FORWARD</b>		<b>31,846,108</b>	<b>213,430</b>	<b>32,059,538</b>	<b>33,651,912</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 2023

	NOTE	2023 £	2022 £
<b>FIXED ASSETS</b>			
Investment Property	13	5,195,000	5,195,000
Investments	9	26,651,108	28,307,938
		<u>31,846,108</u>	<u>33,502,938</u>
<b>CURRENT ASSETS</b>			
Debtors	10	67,068	58,474
Cash at Bank		191,232	177,197
		<u>258,300</u>	<u>235,671</u>
<b>LIABILITIES</b>			
Creditors: falling due within one year	11	(44,870)	(86,697)
<b>NET CURRENT ASSETS</b>		<u>213,430</u>	<u>148,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,059,538</u>	<u>33,651,912</u>
Representing:			
<b>UNRESTRICTED FUNDS</b>			
Expendable Endowment	12	30,915,476	32,572,306
Revaluation Reserve on Investment Property		930,632	930,632
Income	12	213,430	148,974
		<u>32,059,538</u>	<u>33,651,912</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 22 August 2023 and signed on their behalf by:

R D Schuster  
Trustee

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

## THE LENNOX HANNAY CHARITABLE TRUST

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
<b>NET CASH ABSORBED BY OPERATING ACTIVITIES</b>		(890,392)	(821,589)
<b>(see below)</b>			
<b>Cash flows from investing activities</b>			
Dividends and interest from investments	4	831,805	725,191
Other Incoming Resources	4	78,594	91,967
Proceeds from the sale of investments	9	2,302,095	2,712,826
Purchase of investments	9,13	(3,415,817)	(2,228,355)
Net cash provided by investing activities		(203,323)	1,301,629
<b>Change in cash and cash equivalents in period</b>		(1,093,715)	480,040
Cash and cash equivalents brought forward		1,370,743	890,703
Cash and cash equivalents carried forward		277,028	1,370,743
<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 2023 (as per the Statement of Financial Activities, page 11)		(1,592,374)	822,251
Adjustments for:			
Dividends and interest from investments	4	(831,805)	(725,191)
Other Incoming Resources	4	(78,594)	(91,967)
Realised gains on the sale of investments	9	120,496	(109,478)
Unrealised gains in revaluing investments	9	1,542,306	(730,362)
(Increase)/Decrease in debtors	10	(8,594)	(11,966)
Increase/(Decrease) in creditors	11	(41,827)	25,124
<b>Net cash provided by operating activities (see above)</b>		(890,392)	(821,589)

#### Analysis of cash and cash equivalents

	As at 1 April 2022 £	Cash Flow £	As at 31 March 2023 £
Cash at Bank	177,197	14,035	191,232
Cash held in investments	1,193,546	(1,107,750)	85,796
	1,370,743	(1,093,715)	277,028



## THE LENNOX HANNAY CHARITABLE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 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 2022. 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. With respect to the next reporting period, 2023-24, 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.



## THE LENNOX HANNAY CHARITABLE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (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

The Trustees believe that including cash held with investment managers within Fixed Asset Investments was a more accurate portrayal of how this cash is used. The figures show this cash within 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 2023 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).

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

(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.

(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 2023, 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

### Unrestricted Expendable Endowment

	2023	2022
	£	£
Gift from Lennox Hannay Will Trust	6,721	-

### Unrestricted Income

	2023	2022
	£	£
Income from Investments	827,143	725,165
Gift from Lennox Hannay Will Trust	2,327	-
Rent from investment property	78,594	91,967
Interest on cash deposits	2,335	26
	<b>910,399</b>	<b>817,158</b>

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 5. COSTS OF GENERATING FUNDS

	2023	2022
	£	£
Investment Management Fees	95,079	103,364
Custodian and Administration Fees	18,820	19,578
Investment Property Fees	14,041	24,960
	<b>127,940</b>	<b>147,902</b>

#### 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: -

	£
Able Stables	65,000
SOFEA	40,000
Bristol University	30,000
(The) Fleming-Wyfold Art Foundation	25,000
Missing Salmon Alliance	25,000
Suicide & Co	23,172
Royal Horticultural Society	22,203
Budleigh Community Workshop Trust	14,000
Wheely Boat Trust	10,250
Because We Can	10,000
Disaster Emergency Committee	10,000
Fields in Trust	10,000
Hacton Primary School	10,000
Hands Up Foundation	10,000
Hope Kitchens	10,000
(The) Hunts Servant Fund	10,000
MapAction	10,000
Mary's Meals	10,000
Mikeysline	10,000
Norfolk Community Foundation	10,000
Orkney Sheep Foundation	10,000
Royal College of Music	10,000
Grants above £2,000 and below £10,000	173,300
Grants £2,000 and below	107,000
	<b>664,925</b>

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 7. ANALYSIS OF GRANTS MADE

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

	2023 No.	2022 No.	2023 £	2022 £
The prevention or relief of poverty	18	9	74,500	35,000
The advancement of education	33	26	220,203	196,583
The advancement of religion	1	1	7,500	5,000
The advancement of health or the saving of lives	29	36	128,172	141,500
The advancement of citizenship or community development	5	8	20,000	48,173
The advancement of the arts, culture, heritage or science	5	8	38,800	51,500
The advancement of amateur sports	6	4	15,000	9,000
The advancement of environmental protection or improvement	7	7	50,500	62,750
The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage	15	13	103,250	52,500
The advancement of animal welfare	6	6	7,000	15,000
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	-	1,000
	<b>125</b>	<b>119</b>	<b>664,925</b>	<b>618,006</b>
Support and Governance costs (see note 8)	-	-	53,066	68,054
<b>Total</b>	<b>125</b>	<b>119</b>	<b>717,991</b>	<b>686,060</b>

#### 8. SUPPORT AND GOVERNANCE COSTS

	2023 Total	2022 Total
	£	£
<i>Support / Administrative Costs</i>		
Charity Administration and Financial Reporting	50,048	49,410
<i>Governance Costs</i>		
Auditor's remuneration: current year	6,000	10,000
Auditor's remuneration: prior year under accrual	920	680
Legal and Professional Fees	(4,382)	7,443
Bank charges	480	521
To Charitable activities	(53,066)	(68,054)
	<b>-</b>	<b>-</b>

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 9. FIXED ASSET INVESTMENTS

##### Movement in fixed asset investments

	Unlisted Securities		Listed Securities		Total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Market Value brought forward	29,376	478,075	27,085,016	26,280,948	27,114,392	26,759,023
Add acquisitions at cost	4,719	-	3,411,098	2,228,355	3,415,817	2,228,355
Less disposal proceeds	(101,894)	(53,149)	(2,200,201)	(2,659,677)	(2,302,095)	(2,712,826)
Realised (loss)/gains on disposal	77,272	(17,082)	(197,768)	126,560	(120,496)	109,478
Net (loss)/gain on revaluation	(4,990)	(378,468)	(1,537,316)	1,108,830	(1,542,306)	730,362
	<b>4,483</b>	<b>29,376</b>	<b>26,560,829</b>	<b>27,085,016</b>	<b>26,565,312</b>	<b>27,114,392</b>
Cash for Investment	-	-	-	-	85,796	1,193,546
<b>Market Value at 31 March</b>	<b>4,483</b>	<b>29,376</b>	<b>26,560,829</b>	<b>27,085,016</b>	<b>26,651,108</b>	<b>28,307,938</b>
<i>Historical Cost at 31 March</i>	<i>215,997</i>	<i>368,835</i>	<i>25,642,932</i>	<i>24,180,404</i>	<i>25,858,929</i>	<i>24,549,239</i>
<b>Geographical Analysis</b>						
United Kingdom Investments	4,483	20,247	24,207,957	25,024,469	24,212,440	25,044,716
Overseas Investments	-	9,129	2,352,872	2,060,547	2,352,872	2,069,676
Cash for Investment	-	-	-	-	85,796	1,193,546
	<b>4,483</b>	<b>29,376</b>	<b>26,560,829</b>	<b>27,085,016</b>	<b>26,651,108</b>	<b>28,307,938</b>

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

Investment	Holding	Value £
Charities Property Fund	2,257,648	2,853,216
Artemis Income Fund	950,192	2,413,297
Ballie Gifford International Fund	31,424	2,301,778
Evenlode Global Income Fund	1,491,047	2,165,448
M&G Equity Investment Fund for Charities	136,959	2,031,338
Rathbone Ethical Bond Fund	2,375,390	1,960,409
Royal London Ethical	1,802,415	1,748,703
C F Trojan INC "S"	1,003,775	1,745,668
Trojan Income Fund	541,438	1,693,579

#### 10. DEBTORS

	2023	2022
	£	£
Rent Due	67,068	58,474
	<b>67,068</b>	<b>58,474</b>

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

#### 11. CREDITORS - amounts falling due within one year

	2023	2022
	£	£
Accruals	44,870	51,697
Grant Creditor	-	35,000
	<u>44,870</u>	<u>86,697</u>

#### 12. FUND ANALYSIS

	Unrestricted Expendable Endowment £	Unrestricted Income £	2023 Total £
Property	5,195,000	-	5,195,000
Investments	26,651,108	-	26,651,108
Cash at Bank	-	191,232	191,232
Debtors	-	67,068	67,068
Creditors	-	(44,870)	(44,870)
	<u>31,846,108</u>	<u>213,430</u>	<u>32,059,538</u>

	Unrestricted Expendable Endowment £	Unrestricted Income £	Restated 2022 Total £
Property	5,195,000	-	5,195,000
Investments	28,307,938	-	28,307,938
Cash at Bank	-	177,197	177,197
Debtors	-	58,474	58,474
Creditors	-	(86,697)	(86,697)
	<u>33,502,938</u>	<u>148,974</u>	<u>33,651,912</u>

## THE LENNOX HANNAY CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (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
Unrealised gain 2014 (arising from revaluation)	669,634
Additions during 2015	9,002
Unrealised gain 2020 (arising from revaluation)	260,998
Additions during 2021	65,000
	<u>5,195,000</u>

The trustees are satisfied the market value of the investment property is not materially different to the stated value at 31 March 2023.

#### 14. RELATED PARTY TRANSACTIONS

One of the Trustees' close family members is Pro-Chancellor of Bristol University, to whom a grant of £30,000 was paid during the year (2022: £30,000).

One of the Trustees' close family members is a Governor of the Friends of St Paul's Primary School, to whom a grant of £7,500 was paid during the year (2022: £nil).

Two of the RF Trustee Co. Limited directors are directors of RFT Management Services Limited to whom £50,048 was paid in the year in respect of charity administration fees (2022: £49,410). At the year-end there was a creditor of £11,800 with RFT Management Services (2022: £12,145).

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 (2022: £25,000).

One of the RF Trustee Co. Limited directors is a Trustee of Fields in Trust, to whom a grant of £10,000 was paid in the year (2022 – £10,000).