

THE DUCHY OF LANCASTER JUBILEE TRUST  
Registered Charity Number 1085881

**REPORT OF THE TRUSTEES  
AND ACCOUNTS FOR THE YEAR  
TO 31st MARCH 2023**

**THE DUCHY OF LANCASTER JUBILEE TRUST**

**FOR THE YEAR TO 31st MARCH 2023**

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## THE DUCHY OF LANCASTER JUBILEE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR TO 31st MARCH 2023

#### 1. Objects of the Trust

The objects of the Trust are:

- The maintenance and preservation for the public benefit of any monument, castle or other property of historical or architectural interest in the vicinity of the Duchy lands.
- The advancement of the Christian faith by maintaining and supporting the King's Chapel of the Savoy and clergy whose livings are within the gift of the Duke of Lancaster. Following the death of the Queen on the 8th September 2022 The Queen's Chapel of the Savoy will now be known as the King's Chapel of the Savoy.
- Such other charitable purposes as the Trustees think fit.

Applications for grants should be addressed to the Secretary.

Donations from His Majesty The King in Right of His Duchy of Lancaster may be given to the Trust with the request that they are, for the time being, invested to provide an income to support the objects of the Trust. The Trustees have accordingly placed the donations received into a separate investment fund, the Expendable Endowment Fund. No donations have been received in the year ended 31 March 2023 (2022: £nil).

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider that the current policy for making donations delivers public benefit. Details of the objectives which form the basis of this policy are given above.

#### 2. Grant making policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust invites applications for grants that will meet the stated objectives of the Trust and these will be assessed on a merit basis as to value for money and impact in achieving the aims of the Trust.

#### 3. Achievements and performance

The Trustees have reviewed and are content that the objectives of the charity as highlighted have been achieved during the course of the year. The Trustees are content that the income generated over the course of the year has been utilised in accordance with the objectives.

During the year the Trust made 5 grants totalling £351,446 (2022: 5 grants £351,446) as set out in Note 5 to the financial statements. This includes a grant for £350,000 to the King's Chapel of the Savoy; this has been spent supporting the running and upkeep of the Chapel and clergy.

The Trust continues to fulfil its objects through its grant-making policy and it is the Trustees' intention to continue doing so.

The Trustees aim is to gift sufficient funds to the King's Chapel of the Savoy to allow the Chapel to meet any shortfall in its funding and this has been achieved in the year.

The investment aim is for the portfolio to generate income of circa £500,000, whilst preserving capital value in real terms. Due to the performance of the markets in the year the portfolio has met the income target.

#### 4. Financial review

Investments have been acquired within the powers set out in the Trust Deed and in accordance with the Statement of Investment Principles set out on pages 15 and 16.

Over the year, the Trust's investment assets decreased in value by £152,836 (-0.6%).

During the year the investment income generated was £576,026 (2022 : £531,434).

## THE DUCHY OF LANCASTER JUBILEE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR TO 31st MARCH 2023

#### 5. Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Trust to make effective grants. The Trustees consider variability of investment returns on the permanent endowment to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and Stanhope Capital as our investment consultants who regularly review the risk profile of the portfolio. The operational risk from ineffective grant making is mitigated by the fact that the main recipient of the Charity is well understood by the Trustees who are able to assess the effectiveness that the grant making has from the impact and benefit that the grants have. Smaller grants are assessed on merit on an individual basis and will only be granted if the Trustees understand how these funds will benefit the recipient.

#### 6. Reserves

The Trustees' policy is to distribute investment income received and to maintain a reserve in the General Fund. At the year end the balance of the General Fund was a surplus of £688,647.

The Expendable Endowment fund had a balance of £25,967,499 at the year end. Although not forming part of the main reserves, the Trustees do have the power to transfer funds to the Unrestricted Fund to meet shortfalls in funding when required.

#### 7. Plans for future periods

The plan for future periods is to satisfy the charity's objectives and to maintain an investment portfolio in accordance with the total return objective as agreed by the Trustees as set out in the Statement of Investment Principles.

#### 8. Structure, governance, management and administrative details

##### *Governing Instrument*

The Duchy of Lancaster Jubilee Trust was constituted on 15th March 2001 under a declaration of trust. The registered charity number is 1085881.

##### *Trustees and principal officers*

Trustees are appointed by the Receiver General of the Duchy of Lancaster. The Trustees during the year were:

|                               | <u>Appointed</u>  | <u>Retired</u>   |
|-------------------------------|-------------------|------------------|
| Sir James Leigh-Pemberton CVO | 12 September 2023 |                  |
| Sir Alan Reid GCVO            |                   | 4 July 2023      |
| Nathan Thompson CVO           |                   |                  |
| Hugh Bullock                  |                   |                  |
| Sir Michael Stevens KCVO      |                   |                  |
| Lord Downshire                |                   |                  |
| Marcus Rose                   |                   | 31 December 2022 |
| Sonia Tolaney KC              |                   |                  |
| Lucy Macdonald                |                   |                  |
| Jill May                      |                   |                  |
| Alistair Elliott              | 1 February 2023   |                  |
| Alastair Martin               | 1 February 2023   |                  |

##### Secretary:

Hugh Bruce-Watt

The Trustees meet two times a year and make all major grant making and investment decisions. The day to day administration of the Trust is delegated to the staff of the Duchy of Lancaster. Trustees are provided with adequate support and training where training needs are identified to allow them to effectively conduct their role.

## THE DUCHY OF LANCASTER JUBILEE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR TO 31st MARCH 2023

#### 8. Structure, governance, management and administrative details (continued)

##### *Administration*

Administrative support for the charity is provided by The Duchy of Lancaster from its offices at 1 Lancaster Place, Strand, London WC2E 7ED.

##### *Advisors*

|                     |   |             |   |
|---------------------|---|-------------|---|
| Bankers:            | Coutts & Co.<br>440 Strand<br>London<br>WC2R 0QS                                    | Solicitors: | Farrer & Co. LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH |
| Investment manager: | Newton Investment Management Ltd<br>160 Queen Victoria Street<br>London<br>EC4V 4LA | Auditors:   | Saffery LLP<br>71 Queen Victoria Street<br>London<br>EC4V 4BE     |

The Trustees 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 applicable to charities in England & Wales 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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. 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 have undertaken a review of major risks facing the charity and taken steps to mitigate them.

Approved by the Trustees on 13/09/2023 and signed on their behalf by:



Sir James Leigh-Pemberton CVO  
Trustee

**THE DUCHY OF LANCASTER JUBILEE TRUST**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**

**Opinion**

We have audited the financial statements of The Duchy of Lancaster Jubilee Trust for the year ended 31 March 2023 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. 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).

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 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## THE DUCHY OF LANCASTER JUBILEE TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES continued

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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.

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

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**THE DUCHY OF LANCASTER JUBILEE TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES continued**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Saffery LLP". The signature is written in a cursive, flowing style.

Saffery LLP  
Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London

Date: 26 October 2023

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE DUCHY OF LANCASTER JUBILEE TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31st MARCH 2023

|                                     | Notes | Unrestricted<br>Fund<br>£ | Expendable<br>Endowment<br>Fund<br>£ | Total<br>2023<br>£ | Total<br>2022<br>restated<br>£ |
|-------------------------------------|-------|---------------------------|--------------------------------------|--------------------|--------------------------------|
| <b>Income and endowments from:</b>  |       |                           |                                      |                    |                                |
| Donations                           | 2     | -                         | -                                    | -                  | -                              |
| Investments                         | 3     | 576,026                   | -                                    | 576,026            | 531,434                        |
| <b>Total</b>                        |       | <u>576,026</u>            | <u>-</u>                             | <u>576,026</u>     | <u>531,434</u>                 |
| <b>Expenditure on:</b>              |       |                           |                                      |                    |                                |
| Raising Funds                       | 4     | -                         | 99,665                               | 99,665             | 101,236                        |
| Charitable activities               | 5     | 360,601                   | -                                    | 360,601            | 359,821                        |
| <b>Total</b>                        |       | <u>360,601</u>            | <u>99,665</u>                        | <u>460,266</u>     | <u>461,057</u>                 |
| Net (losses) / gains on investments | 9     | -                         | (53,171)                             | (53,171)           | 2,424,803                      |
| <b>Net income/(expenditure)</b>     |       | <u>215,425</u>            | <u>(152,836)</u>                     | <u>62,589</u>      | <u>2,495,180</u>               |
| Transfer between funds              |       | -                         | -                                    | -                  | -                              |
| <b>Net movement in funds</b>        |       | <u>215,425</u>            | <u>(152,836)</u>                     | <u>62,589</u>      | <u>2,495,180</u>               |
| <b>Reconciliation of funds:</b>     |       |                           |                                      |                    |                                |
| Total funds brought forward         |       | <u>473,222</u>            | <u>26,120,335</u>                    | <u>26,593,557</u>  | <u>24,098,377</u>              |
| <b>Total funds carried forward</b>  |       | <u>688,647</u>            | <u>25,967,499</u>                    | <u>26,656,146</u>  | <u>26,593,557</u>              |

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31st MARCH 2022

|                                    | Notes | Unrestricted<br>Fund<br>£ | Expendable<br>Endowment<br>Fund<br>£ | Total<br>2022<br>£ |
|------------------------------------|-------|---------------------------|--------------------------------------|--------------------|
| <b>Income and endowments from:</b> |       |                           |                                      |                    |
| Donations                          | 2     | -                         | -                                    | -                  |
| Investments                        | 3     | 531,434                   | -                                    | 531,434            |
| <b>Total</b>                       |       | <u>531,434</u>            | <u>-</u>                             | <u>531,434</u>     |
| <b>Expenditure on:</b>             |       |                           |                                      |                    |
| Raising Funds                      | 4     | -                         | -                                    | -                  |
| Charitable activities              | 5     | 359,821                   | -                                    | 359,821            |
| <b>Total</b>                       |       | <u>359,821</u>            | <u>-</u>                             | <u>359,821</u>     |
| Net gain on investments            | 9     | -                         | 2,323,567                            | 2,323,567          |
| <b>Net income/(expenditure)</b>    |       | <u>171,613</u>            | <u>2,323,567</u>                     | <u>2,495,180</u>   |
| Transfer between funds             |       | (349,325)                 | 349,325                              | -                  |
| <b>Net movement in funds</b>       |       | <u>(177,712)</u>          | <u>2,672,892</u>                     | <u>2,495,180</u>   |
| <b>Reconciliation of funds:</b>    |       |                           |                                      |                    |
| Total funds brought forward        |       | <u>650,934</u>            | <u>23,447,443</u>                    | <u>24,098,377</u>  |
| <b>Total funds carried forward</b> |       | <u>473,222</u>            | <u>26,120,335</u>                    | <u>26,593,557</u>  |

The notes on pages 11 to 14 form part of these accounts.

THE DUCHY OF LANCASTER JUBILEE TRUST

BALANCE SHEET AT 31st MARCH 2023

|   | Notes | 2023<br>£                | 2022<br>£                |
|---|-------|--------------------------|--------------------------|
| <b>Fixed Assets</b>                                   |       |                          |                          |
| Investments   | 8     | <u>25,967,499</u>        | <u>26,120,335</u>        |
| <b>Current Assets</b>                                 |       |                          |                          |
| Debtors   | 10    | 1,757                    | 23                       |
| Cash and deposits                                     |       | <u>692,410</u>           | <u>477,819</u>           |
|   |       | 694,167                  | 477,842                  |
| <b>Creditors: amounts falling due within one year</b> |       |                          |                          |
| Accruals  | 12    | <u>(5,520)</u>           | <u>(4,620)</u>           |
| <b>Net Current Assets</b>                             |       | <u>688,647</u>           | <u>473,222</u>           |
| <b>Net Assets</b>                                     |       | <u><u>26,656,146</u></u> | <u><u>26,593,557</u></u> |
| <b>Capital Fund</b>                                   |       |                          |                          |
| Expendable Endowment                                  | 13    | 25,967,499               | 26,120,335               |
| <b>Income Fund</b>                                    |       |                          |                          |
| Unrestricted General Fund                             | 13    | <u>688,647</u>           | <u>473,222</u>           |
|   |       | <u><u>26,656,146</u></u> | <u><u>26,593,557</u></u> |

Approved by the Trustees on 13/09/2023 and signed on their behalf by:

*James Leigh-Pemberton*

Sir James Leigh-Pemberton CVO  
Trustee

The notes on pages 11 to 14 form part of these accounts.

THE DUCHY OF LANCASTER JUBILEE TRUST

CASH FLOW STATEMENT  
FOR THE YEAR TO 31st MARCH 2023

|   |       | Total<br>2023         | Total<br>2022         |
|---|-------|-----------------------|-----------------------|
|   | Notes | £                     | £                     |
| <b>Net cash outflow from operating activities</b> | 14    | <u>(361,435)</u>      | <u>(359,405)</u>      |
| <b>Cash flows from investing activities</b>       |       |                       |                       |
| Dividends   |       | 573,479               | 531,381               |
| Interest  |       | 2,547                 | 53                    |
| <b>Net cash inflow from investing activities</b>  |       | <u>576,026</u>        | <u>531,434</u>        |
| Change in cash and cash equivalents in the year   |       | 214,591               | 172,029               |
| <b>Cash and cash equivalents at start of year</b> |       | <u>477,819</u>        | <u>305,790</u>        |
| <b>Cash and cash equivalents at end of year</b>   |       | <u><u>692,410</u></u> | <u><u>477,819</u></u> |

The notes on pages 11 to 14 form part of these accounts.

## THE DUCHY OF LANCASTER JUBILEE TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR TO 31st MARCH 2023

#### 1. Accounting Policies

##### (a) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant key assumptions that affect items in the accounts are the carrying value of assets held by the Trust and the level of investment return due to the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

The functional currency is Sterling. Monetary amounts in these financial statements are rounded to the nearest £.

##### (b) Significant judgements, key assumptions and estimates

Accounting estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Duchy makes estimates and assumptions concerning the future. The resulting accounting estimates could, by definition, differ from the actual outcome.

There are no estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### (c) Income

Donations are accounted for on an accruals basis. Interest from banks and dividends are accounted for on an accruals basis.

##### (d) Grants

Grants are accounted for when the intention to make the payment is communicated to the beneficiary. If there are conditions attached to the payment then the grant is accounted for once the conditions are no longer within the control of the Trustees.

##### (e) Governance costs

Governance costs comprise costs incurred in Trust administration and compliance with regulatory requirements.

##### (f) Taxation

The Trust carries on activities which are exempt from corporation tax and income tax. The Charity suffers Value Added Tax which is included with the expenditure to which it relates.

##### (g) Fixed Asset Investments

Fixed Asset Investments are stated in the Balance Sheet at the quoted market valuation at the year end.

##### (h) Expendable Endowment Fund

Donations from the Duchy of Lancaster are invested to provide an income from which grants may be made in accordance with the policy set out in paragraph 6 of the Report of the Trustees.

# THE DUCHY OF LANCASTER JUBILEE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31st MARCH 2023

|  |                                |                               |                              |           |
|--|--------------------------------|-------------------------------|------------------------------|-----------|
| 2. Donations   |                                | 2023<br>£                     | 2022<br>£                    |           |
| His Majesty the King /Her Majesty The Queen in Right of His / Her Duchy of Lancaster |                                | -                             | -                            |           |
| 3. Investment income   |                                | 2023<br>£                     | 2022<br>£                    |           |
| Dividends  |                                | 573,479                       | 531,381                      |           |
| Bank interest  |                                | 2,547                         | 53                           |           |
|  |                                | 576,026                       | 531,434                      |           |
| 4. Raising Funds   |                                | 2023<br>£                     | 2022<br><i>restated</i><br>£ |           |
| Investment Management Fees   |                                | 99,665                        | 101,236                      |           |
|  |                                | 99,665                        | 101,236                      |           |
| 5. Charitable activities   |                                |                               |                              |           |
|  | Grants to<br>Institutions<br>£ | Grants to<br>Individuals<br>£ | 2023<br>£                    | 2022<br>£ |
| The King's Chapel of the Savoy   | 350,000                        | -                             | 350,000                      | 350,000   |
| Other grants   | 1,196                          | 250                           | 1,446                        | 1,446     |
| Governance costs (see Note 6)  | 9,155                          | -                             | 9,155                        | 8,375     |
|  | 360,351                        | 250                           | 360,601                      | 359,821   |

A total of 5 grants were paid (2022 : 5) including 1 to an individual for £250 (2022 : 1 for £250).

|                            |              |              |
|----------------------------|--------------|--------------|
| <b>6. Governance costs</b> | 2023<br>£    | 2022<br>£    |
| Auditors fees - for audit  | 5,520        | 3,850        |
| Other administration costs | 3,635        | 4,525        |
|                            | <u>9,155</u> | <u>8,375</u> |

The administration of the Trust is managed by the Trustees and the office of the Duchy of Lancaster. The Duchy of Lancaster Jubilee Trust contributed £3,600 during the year (2022 : £3,600) to the Duchy of Lancaster towards these administration costs.

## 7. Trustee and Staff Costs

None of the Trustees received any remuneration or expenses during the year (2022: £nil). The charity has no directly employed staff.

# THE DUCHY OF LANCASTER JUBILEE TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR TO 31st MARCH 2023

### 8. Investments

|                         | 2023<br>£         | 2022<br>£         |
|-------------------------|-------------------|-------------------|
| Authorised unit trusts: |                   |                   |
| Newton                  | 25,967,499        | 26,120,335        |
|                         | <u>25,967,499</u> | <u>26,120,335</u> |

The historic cost of investments at 31st March 2023 was £19,538,850 (2022: £19,624,063).

Newton charges investment management fees of 0.4% per annum which are taken from Capital.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Trustees' Annual Report.

### 9. Reconciliation of movement of investments

|  | 2023<br>£         | 2022<br><i>restated</i><br>£ |
|--|-------------------|------------------------------|
| Authorised unit trusts:                  |                   |                              |
| Market value at 1st April 2022           | 26,120,335        | 23,796,768                   |
| Management fee                           | (99,665)          | (101,236)                    |
| (Losses) / Gains in value of investments | (53,171)          | 2,424,803                    |
| Market value at 31st March 2023          | <u>25,967,499</u> | <u>26,120,335</u>            |

All investments are in authorised unit trusts.

Management fees have been disclosed this year and the prior year is shown on a comparable basis.

### 10. Debtors

|                  | 2023<br>£    | 2022<br>£ |
|------------------|--------------|-----------|
| Deposit interest | 1,757        | 23        |
|                  | <u>1,757</u> | <u>23</u> |

### 11. Related Parties

Certain of The Duchy of Lancaster Jubilee Trust's expenses are incurred initially by the Duchy of Lancaster and then recharged to the Trust. The amount of such expenses relating to the year ended 31st March 2023 was £4,620 (2022: £4,320).

### 12. Accruals

|       | 2023<br>£    | 2022<br>£    |
|-------|--------------|--------------|
| Audit | 5,520        | 4,620        |
|       | <u>5,520</u> | <u>4,620</u> |

THE DUCHY OF LANCASTER JUBILEE TRUST

NOTES TO THE ACCOUNTS  
FOR THE YEAR TO 31st MARCH 2023

13. Net assets by fund

|                     | 2023                                 |                              | 2022                                 |                              |
|---------------------|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
|                     | Unrestricted<br>General<br>Fund<br>£ | Expendable<br>endowment<br>£ | Unrestricted<br>General<br>Fund<br>£ | Expendable<br>endowment<br>£ |
| Investments         | -                                    | 25,967,499                   | -                                    | 26,120,335                   |
| Current assets      | 694,167                              | -                            | 477,842                              | -                            |
| Current liabilities | (5,520)                              | -                            | (4,620)                              | -                            |
| Net Assets          | <u>688,647</u>                       | <u>25,967,499</u>            | <u>473,222</u>                       | <u>26,120,335</u>            |

During the year there was no transfer between the Expendable Endowment Fund and the Unrestricted General Fund (2022 : £349,325).

14. Reconciliation of net (expenditure)/ income to net cash outflow from operating activities

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| Net income as per statement of financial activities | 62,589           | 2,495,180        |
| Adjusted for:                                       |                  |                  |
| Net losses/ (gains) on investments                  | 53,171           | (2,424,803)      |
| Investment income                                   | (576,026)        | (531,434)        |
| Investment Management fees                          | 99,665           | 101,236          |
| (Increase)/ Decrease in receivables                 | (1,734)          | (4)              |
| Increase /(Decrease) in payables                    | 900              | 420              |
| Net cash outflow from operating activities          | <u>(361,435)</u> | <u>(359,405)</u> |

## THE DUCHY OF LANCASTER JUBILEE TRUST

### STATEMENT OF INVESTMENT PRINCIPLES

#### Background and purpose of portfolio

Duchy of Lancaster Jubilee Trust was constituted in 2001 to fund charitable causes, particularly the maintenance of historic buildings within Duchy estates.

#### Investment objectives

The primary objective of the Trust's investment portfolio is to provide an increasing distributable income while maintaining the real value of the Trust's assets over the long term.

#### Liquidity requirement

There is no requirement to hold a specific proportion of assets in cash or other short term asset classes but all investment should be in relatively liquid vehicles.

#### Ethical considerations

There are no specific constraints on the Trust investment portfolio in terms of ethical, social or environmental matters but the managers of the portfolio are expected to take into account best practice in terms of corporate governance and SRI factors when assessing any individual investment.

#### Return target

The current income requirement for the portfolio is circa £500,000 p.a. The income target and the need to preserve capital against long term inflation and ensure future income growth will require a total real return from the investment portfolio of 3.5% p.a.

#### Risk tolerance

A reasonable level of capital volatility within the investment portfolio is acceptable given the Trust's long term time horizon and return objectives but to limit capital and other risks in the portfolio, the portfolio should be well diversified across asset classes and individual investments in line with a standard medium risk profile.

#### Investment benchmark

The table below shows the benchmark against which the manager's performance will be monitored. There are no asset allocation constraints placed on the manager.

| Benchmark indices     | Benchmark % |
|-----------------------|-------------|
| FTSE All Share        | 50          |
| FTSE World (ex UK )   | 25          |
| FTSE Govt. All Stocks | 20          |
| 7-day cash            | 5           |

#### Investment management arrangements

The Trustees will appoint investment managers to manage the assets of the portfolio in accordance with the principles set out in this statement and within the guidelines set down from time to time by the trustees.

The Trustees will monitor the performance of the manager against the stated investment benchmark on a quarterly basis but it is anticipated that the manager will be given a period of tenure of between three and five years.

#### Currency and hedging

The Trust's liabilities are all in sterling and therefore the bulk of the portfolio should be held in sterling to avoid unnecessary currency risk. Non sterling exposure should be limited to 30%. Qualifying, sterling denominated collective vehicles, where underlying, non-qualifying assets exceed 30%, are not subject to this restriction.

## **THE DUCHY OF LANCASTER JUBILEE TRUST**

### **STATEMENT OF INVESTMENT PRINCIPLES**

#### **Restricted asset classes**

There should be no investment in gold bullion and commodities nor in private equity vehicles.

#### **Other restrictions**

- a. No holding is to exceed 1% of the issued share capital of a company without prior permission of the Trustees.
- b. No acquisition should result in the relevant holding representing more than 5% of the value of the portfolio without prior consent of the Trustees, save in the case of a government security or managed fund. This does not preclude the retention of a holding that attains a value in excess of 5% of the Fund after purchase.
- c. The manager is not permitted to enter into futures, options and other derivative products, including forward foreign exchange transactions, other than when used as part of normal portfolio management by the manager of the pooled fund(s) in which the Trust is invested.
- d. The manager must have the prior approval of the Trustees before:-
  - Investing in non readily realisable investments;
  - Effecting off-exchange transactions;
  - Entering underwriting or sub-underwriting commitments;

Approval to carry out any restricted activity may be given by one Trustee and the Secretary of the Trust upon receipt of a written recommendation from the manager. Any such approval must be reported to the Trustees at their next meeting.

#### **Review process**

The Trustees will review the contents of this statement of investment objectives on an annual basis and modify if it is deemed appropriate.

**Last reviewed: December 2022**