

Charity registration number 1088642

The John Browne Charitable Trust

**Trustees' annual report and financial statements
Year ended 5 April 2022**

The John Browne Charitable Trust

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The John Browne Charitable Trust

Legal and administrative information

Registered Charity No.	1088642
Trustees	Lord Browne of Madingley (Founder Trustee) Lord Hennessy of Nympsfield Michael Lynas Antonia Romeo Farrer & Co Trust Corporation Limited
Principal Address	5 Cheyne Mews London SW3 5RH
Bankers	C Hoare and Co 37 Fleet Street London EC4P 4DQ
Investment Managers	Stanhope Capital LLP 35 Portman Square London W1H 6LR
Independent Examiner	Cara Turtington FCA DChA Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Solicitors	Farrer and Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

The John Browne Charitable Trust

Trustees' report

For the year ended 5 April 2022

The trustees present their report, together with the financial statements of the Trust for the year ended 5 April 2022.

Statement of Trustees Responsibilities

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 business.

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.

Structure, governance and management

The trustees are listed on page 1.

New trustees are appointed by the Founder, with the maximum number of trustees at any time being six. No trustee shall be remunerated by the charity for their services, other than payment of any reasonable expenses incurred in their duties, nor shall they have any financial interest in transactions with, or property held by the charity. Trustees may however be paid for any work undertaken in their professional capacity, when directed and authorised by the other trustees to undertake such work.

Decisions are taken at duly constituted meetings of the trustees by majority vote, though informal decisions can be made, subject to ratification at the next trustees' meeting.

The Founder trustee has the power to decide in his own right, which institutions receive grants.

The Founder trustee currently has the power to appoint a successor Founder trustee.

The John Browne Charitable Trust

Trustees' report (continued)

For the year ended 5 April 2021

Objectives and activities

The John Browne Charitable Trust was established by Trust Deed dated 14 May 2001 and registered on 27 September 2001. The original Trust Deed was amended on 24 February 2012.

The primary purpose of the charity is to make grants to charitable institutions.

The trustees may also:

- Promote research and publish the useful results of such research;
- Commission, promote, publish, distribute and sell facsimiles, photographs, models and publications of every description and;
- Provide, promote, sponsor and organise lectures, discussions, exhibitions and other like events.

The trustees' intention for the immediate future is to retain the major part of the charity's income to generate a future realistic endowment. This is expected to be achieved over the next ten years and is also provided for in the Founder's estate.

The mission statement of the Trust is:

"To support exceptional people and organisations (and the applicable infrastructure) to fuel progress in engineering, the environment and the performing arts."

Grant-making policy

Grants are made to exceptional individuals and organisations with the aim furthering the mission statement of the trust. Applications are received from unsolicited organisations, individuals and personal contacts.

Applications are reviewed by the trustees and a formal appraisal is made of each application. Each case is judged against five criteria before decisions are made to approve funding. These criteria are as follows:

- Geographic Focus (priority is given to UK based organisations and individuals); and
- Engineering science and practice, the natural environment, the visual & performing arts; and
- A commitment that those supported go on to further the mission of the Trust; and
- Supporting underrepresented groups (including those from low income households, women, LGBT); or
- Supporting brilliant people with a commitment to excellence or excellence widely stated.

Achievements and performance

The charity's principal activity during the year has been the donation of funds in the form of grants to individuals and organisations; in line with the objects of the charity. Grants were awarded in the year totalling £2,795,238 (2021: £1,328,450), which included a £2,000,000 gift to Murray Edwards College, Cambridge, for the acquisition of a new building named Paula Browne House. The previous included a gift of £1million to the Courtauld Institute.

Other grants were made to the applicants that the Trustees felt would best promote the overall objectives of the trust, as detailed in note 2 to the financial statements.

Through these grants the Trustees are furthering their mission statement effectively.

Financial review

The net expenditure for the year after unrealised losses on investments was £2,428,664 (2021: Net income of £2,419,829).

There were £1,021,620 of free reserves held at 5 April 2021 (2021: £3,450,284).

The principal funding sources were donations which in turn were used to make charitable grants. The net expenditure during the year represents the spending of funds received during the 2021 financial year.

Grants were made to a variety of organisations as listed in note 2 to the financial statements.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk to the Charity is that income is insufficient to allow the Trustees to fulfil their grant making obligations. However, at the moment this risk is mitigated by the active involvement of the Founder in the Foundation's activities.

Investment Policy

The trustees are responsible for the safekeeping of all assets of the charity and may invest funds as they see fit.

Aims and objectives for future periods

We intend to continue to support educational, artistic, environmental and engineering projects through scholarships and grants of capital or revenue.

Fundraising

The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 in relation to fundraising. The charity does not engage in any active fundraising activities and no approaches are made to the general public in order to raise funds. The charity has received no complaints in the period regarding its fundraising activities.

The John Browne Charitable Trust

Trustees' report (continued)

For the year ended 5 April 2021

Reserves Policy

The current activities of the charity are funded by regular contributions from the Founder that are intended to be applied directly to charitable purposes rather than building up a capital base. As such the Trustees have limited requirements for free reserves as the ongoing costs of administering the Foundation are not substantial.

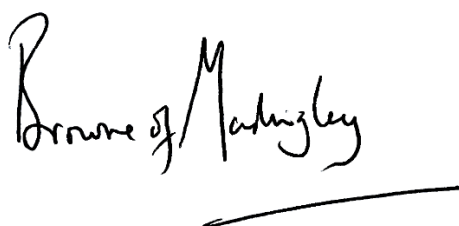
During the year the reserves of the charity were decreased significantly by an enhanced programme of giving.

Public Benefit

The trustees have complied with the duty in the Charities Act 2011 to have regard to all guidance published by the Charity Commission.

The trustees are mindful of the need for all grants to be made for public benefit. As such this criteria is considered whilst determining which grants to make each year.

For and on behalf of the trustees

A handwritten signature in black ink, reading "Browne of Madingley". The signature is written in a cursive style. Below the signature is a horizontal line.

Lord Browne of Madingley
Wednesday 8 February 2023

Independent examiner's report to the Trustees of John Browne Charitable Trust

I report to the trustees on my examination of the accounts of the John Browne Charitable Trust (the Trust) for the year ended 5 April 2022.

Respective Responsibilities of trustees and examiner

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

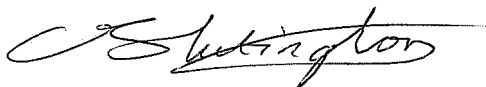
I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

The John Browne Charitable Trust

Independent examiner's report to the Trustees of John Browne Charitable Trust

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



Cara Turlington

Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE
Date: 10 February 2023

The John Browne Charitable Trust

**Statement of financial activities
For the year ended 5 April 2022**

		Unrestricted funds	
	Notes	2022	2021
		£	£
Income from			
Donations	1	377,250	3,750,500
Investment income		4,397	23,842
Total income		381,647	3,774,342
Expenditure on			
Charitable activities	2	2,802,672	1,341,951
Total expenditure		2,802,672	1,341,951
Realised (losses) on investments		-	(5,998)
Unrealised (losses) on investments		(7,639)	(6,564)
Net income/(expenditure) and movement in funds		(2,428,664)	2,419,829
Fund balance brought forward at 6 April 2021		3,450,284	1,030,455
Fund balance carried forward at 5 April 2022		1,021,620	3,450,284

All incoming resources and resources expended derive from continuing activities.

There are no other recognised gains or losses.

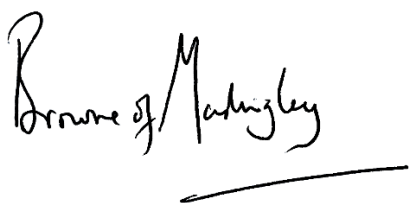
The notes on pages 11 to 15 form part of these financial statements.

The John Browne Charitable Trust

Balance Sheet
As at 5 April 2022

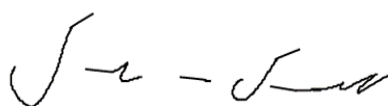
	Notes	2021 £	2020 £
Fixed assets			
Investments	7	343,920	847,162
Current assets			
Cash at bank and on deposit		614,700	2,364,750
Debtors	4	75,000	750,000
		<hr/> 689,700	<hr/> 3,114,750
Current liabilities			
Creditors due in less than one year	5	(12,000)	(511,628)
Net current assets		<hr/> 677,700	<hr/> 2,603,122
Net assets		<hr/> 1,021,620	<hr/> 3,450,284
Funds			
Unrestricted funds		<hr/> 1,021,620	<hr/> 3,450,284

Approved by the board of Trustees on Wednesday 8 February 2023 and signed on its behalf



Lord Browne of Madingley

Trustee



Sarah von Schmidt, on behalf of Farrer & Co Trust Corporation Ltd

Trustee

The notes on pages 11 to 15 form part of these financial statements

The John Browne Charitable Trust

Statement of cash flows
As at 5 April 2022

	Note	2022 £	2021 £	
Cash flows from operating activities				
Net cash provided by / (used in) operating activities	a	(2,250,048)	2,266,980	
Cash flows from investing activities				
Investment income received		4,397	23,842	
Investment purchases				
Proceeds from disposals of investments		-	16,687	
Change in cash and cash equivalents in the period		(2,245,651)	2,307,509	
Cash and cash equivalents at the beginning of the period		2,987,354	679,845	
Cash and cash equivalents at the end of the period		<u>741,703</u>	<u>2,987,354</u>	
a) Reconciliation of net income / (expenditure) to net cash flow from operating activities				
		2022	2021	
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		£	£	
		(2,428,664)	2,419,829	
Investment income		(4,397)	(23,842)	
Loss/ (Gain) on investments		7,639	12,562	
Decrease/(Increase) in debtors		675,000	(650,257)	
(Decrease)/Increase in creditors		(499,626)	508,688	
Net cash provided by / (used in) operating activities		(2,250,048)	2,266,980	
b) Reconciliation of net debt				
	As at 6 April 2021	Cash flows	Other non-cash changes	As at 5 April 2022
Cash and cash equivalents				
Cash at bank	2,364,750	(1,750,050)	-	614,700
Cash held by investment managers	622,604	(495,601)	-	127,003
Total	<u>2,987,354</u>	<u>(2,245,651)</u>	<u>-</u>	<u>741,703</u>

Notes to the financial statements
For the year ended 5 April 2022

The principal accounting policies which are adopted in the preparation of the financial statements are set out below;

A. Basis of accounting

The accounts (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) (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

B. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The charity has substantial reserves and retains control over its annual expenditure. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

C. Income

Donations receivable are accounted for as soon as their amount and receipt are reasonably certain. In the case of unsolicited donations this is usually only accounted for when they are received. All other income is accounted for under the accruals concept.

D. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category.

Charitable expenditure consists of the charitable grants made during the year.

Governance costs comprise all costs incurred in running the charity as a legal entity that cannot be directly allocated.

Notes to the financial statements (continued)
For the year ended 5 April 2022

E. Investments

Fixed asset investments are valued at the current market value at the balance sheet date. Any unrealised gains or losses are credited/charged to the Statement of Financial Activities. Realised gains or losses on disposal of investments are included in the Statement of Financial Activities as they arise.

F. Taxation

The Charity is registered as a charity under the Charities Act 2011 and is not liable to UK tax on its charitable activities.

The Charity is not registered for VAT. Accordingly, expenses include VAT where applicable.

G. Fund accounting

Funds held by the charity are unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the trustees.

H. Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

I. Critical estimates and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The John Browne Charitable Trust

Notes to the financial statements (continued)
For the year ended 5 April 2022

1. Donations

	2022	2021
	£	£
Donation from founder	302,000	3,000,000
Gift aid	75,000	750,000
Other donations	250	500
	<u>377,250</u>	<u>3,750,500</u>

2. Charitable activities

Grant Making

Grants were made to the following institutions:

	2022	2021
	£	£
Murray Edwards College	2,031,308	15,000
Holocaust Educational Trust	25,000	25,000
Donmar Warehouse Projects Ltd	100,000	55,000
Just Like Us	-	-
St John's College Cambridge	80,000	70,000
Fauna and Flora International	-	10,000
The Courtauld Institute of Art	-	1,000,000
Stanford Trust	-	18,500
Art Fund	-	75,000
Royal Opera House	5,250	10,000
Horatio's Garden	-	10,000
Tate Gallery	-	25,680
Tate Foundation	10,680	-
International Rescue Ukrains	38,000	-
Chelsea Physic Garden	500,000	-
Other grants of less than £10,000	5,000	14,270
	<u>2,795,238</u>	<u>1,328,450</u>
Governance and support costs (note 3)	7,434	13,501
	<u>2,802,672</u>	<u>1,341,951</u>

Notes to the financial statements (continued)
For the year ended 5 April 2022

3. Support and governance costs

	2022	2021
	£	£
Independent examination / Audit	2,500	5,000
Other amounts payable to auditors	2,000	3,688
Legal fees	2,195	4,130
Insurance	302	335
Bank charges	437	348
	<u>7,434</u>	<u>13,501</u>

No trustee received any remuneration or reimbursement of expenditure during the year (2021: £Nil). The charity is run by volunteers and the Founder's office at no cost.

4. Debtors

	2022	2021
	£	£
Gift aid receivable	75,000	750,000
	<u>75,000</u>	<u>750,000</u>

5. Creditors

	2022	2021
	£	£
Trade creditors	-	4,128
Grants payable within one year	-	500,000
Accruals	12,000	7,500
	<u>12,000</u>	<u>511,628</u>

6. Related party transactions

Total donations received from 1 (2021: 1) trustee amounted to £302,000 (2021: £3,000,000). There were no other related party transactions in the year (2021: none).

Notes to the financial statements (continued)
For the year ended 5 April 2022

7. Fixed asset investments

	2022 £	2021 £
Market value		
At 6 April 2021	847,162	336,200
Additions	4,397	3,040,211
Disposals	(500,000)	(2,516,687)
Net investment gains/(losses)	(7,639)	(12,562)
	<hr/>	<hr/>
At 5 April 2022	343,920	847,162
	<hr/>	<hr/>
Invested in:		
	2022 £	2021 £
Cash	127,003	622,606
Bonds	216,917	224,556
	<hr/>	<hr/>
At 5 April 2022	343,920	847,162
	<hr/>	<hr/>