

The Alborada Trust

Annual Report and Financial Statements

Year Ended

31 December 2021

Registered Charity No. 1091660

The Alborada Trust

Report and financial statements for the year ended 31 December 2021

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The Alborada Trust

Reference and Administration Information for the year ended 31 December 2021

Registered Charity Name

The Alborada Trust

Charity Registration Number

1091660

Principal Office Address

Lanwades Stud
Moulton
Newmarket
CB8 8QS

Trustees

Dr E K E Rausing
Mr R Lerner
Captain J Nicholson
Mr R T A Goff
Mr L Pillard
Mrs A E Traub (appointed 15 March 2021)

Secretary

J Richardson

Bankers

Julius Bar, Bahnhofstrasse 26, CH-8010 Zurich
Barclays, 58 High Street, Newmarket, Suffolk, CB8 8NH

Investment manager

Longbow Finance SA, Route De Lavaux 36, Lutry CH – 1095, Switzerland

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021

The trustees present their report along with the financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 14 and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, Governance and Management

The Alborada Trust, a private philanthropic trust founded by Kirsten Rausing, is an unincorporated registered Charity, established by a Deed of Trust dated 1 October 2001 and amended by a supplemental deed dated 5 March 2002. Under the terms of the Deed, the trustees shall hold the original capital and the income of the Trust Fund upon trust to apply the income, and as far as necessary the capital, for or towards such charitable purposes and to make grants to such charitable bodies or institutions at such time or times and in such manner as the trustees may in their absolute discretion think fit.

Trustees serve an indefinite term based on their relative experience and contribution to the Charity as a whole. The trustees keep the skill requirements of the trustee body under review and in the event that a trustee retires or additional new trustees are required, the existing trustees collectively discuss the change. There is no formal induction or training of new trustees. However, appointment is by nomination and the trustees review the skills of each nominated person to select members with the relevant experience and skills.

The power of appointment of new trustees is vested in and exercisable by the continuing trustees.

At the trustees' meetings held during the year the trustees agree the strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance. The trustees who served during the year and the principal address of the trust is detailed on page 1.

Risk Management

The trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The trustees consider market price risk and credit risk to be the most significant investment risks. Market price risk is managed by investment in a diverse portfolio managed by an independent fund manager. Credit risk is managed by investment in investment grade securities.

In particular, the trustees have considered the risks presented by COVID-19 and consider the trust to be well positioned to mitigate these risks. The reserves comprising cash and investments together with a commitment from the founding trustee will enable the trust to meet its obligations as they fall due.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Objectives and Activities

The charity's aims are the funding of medical and veterinary causes, research and education and for the relief of poverty and of human and animal suffering, sickness and ill-health.

The main objectives for the year are shaped by these strategic aims with a view to continue funding chosen general charitable causes in line with the Trust Deed.

Grant Making Policy

The trustees' funds are fully committed and unsolicited applications are not requested.

The trustees will donate the annual available income to approved charities and prefer to support grants to Charities whose work they have researched and which is in accordance with the aims and objectives of the Charity for the year.

The trustees request regular updates from those charities that they have supported to provide details of how the grants have been allocated and spent. Grants are only continued where the applicant provides sufficient relevant information to the trustees and satisfies the trustees that continuation of funding is in the interests of the Charity and its aims and objectives.

Performance for the Year

The trustees try to predict the level of income that they expect to receive each year so that they can plan the level of grants for each financial year. Investment returns amounted to £1,242,972 (2020 - £111,023). The trustees distributed £4,071,193 (2020 - £4,765,373) by way of grants.

The Charity's income for the year ended 31 December 2021 included donations receivable, dividends and interest amounting to £25,082,170 (2020 - £6,325,988). Realised and unrealised gains and losses on investments amounted to an overall gain of £1,160,802 (2020 - £85,035).

The trusts' net assets and total unrestricted reserves as at 31 December 2021 amounted to £19,756,451 (2020 – net liabilities and deficit of £1,393,513).

The trustees report net income before other gains and losses for the year of £21,160,780 (2020 - £3,498,742).

Reserves

The reserves policy of the trust is to ensure that at all times it has sufficient reserves to meet its commitments for the next three months. The charity like many grant making charities has very low fixed costs. The founding trustee funds the charity and makes donations from time to time to ensure that the charity can meet its grant obligations as they fall due. At the end of the year the trust was in a net asset position following the donations made to the Trust during the year by the founding trustee. This has resulted in there being sufficient reserves available to meet the grants awarded by the Board of Trustees as they fall due. This includes some multi-year grants.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Investment Policy and Performance

The trustees have a balanced investment policy and aim to maintain free reserves in unrestricted funds at a level which is sufficient to wholly distribute the income of the trust fund whilst retaining capital for the maintenance and growth of the Fund.

The trustees' policy is to invest the fund in secure markets, endeavouring to obtain a reasonable income, compatible with protection of the capital value involved and taking into account inflationary factors. With this in mind, the trustees have appointed the services of investment managers to guide and act for them on a professional basis. The trustees monitor the performance of the investments in line with their short and long term aims and objectives, as well as undertaking regular reviews with the investment managers at the trustees' meetings throughout the financial year.

Investments are shown at market value rather than book cost in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities.

The trustees confirm that the Charity's assets are sufficient to fulfil its obligations in respect of unrestricted funds and that all investments held by them on behalf of the Charity have been acquired in accordance with the powers available to them under the Trust Deed.

Plans for Future Periods

The trustees are mindful of the importance of animal welfare and related research together with projects dealing with the relief of poverty, human suffering, sickness or ill health throughout the world. They would like to continue their current line of support by providing grants to selected organisations.

The Alborada Trust is a lasting testimony to the generosity and philanthropic concerns of the Founder.

Charity's Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. This is evidenced by the contributions paid to registered charities totalling £4,071,193 (2020 - £4,765,373).

Going Concern

The trustees have reviewed the trust's investments and operations in response to the impact of the Covid-19 pandemic. The budget for charitable activities in 2022 is, at this time, unaffected and based on a commitment from the founding trustee there will be sufficient cash resources available to meet pre-existing grant commitments and operations costs. The trust holds reserves to supplement income requirements to meet its charitable objectives as required.

The trustees consider that there are no material uncertainties over the trust's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and regulations

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

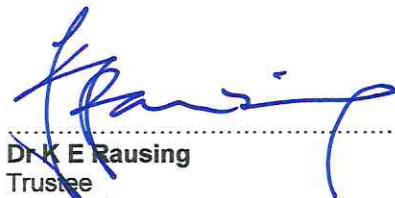
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust's trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution concerning the appointment of BDO as auditor to the company, will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board of Trustees on 22/7/22 and signed on its behalf by:



Dr K E Rausing
Trustee

The Alborada Trust

Independent Auditor's Report To Trustees of The Alborada Trust

INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF THE ALBORADA TRUST

Opinion on the 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 December 2021 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.

We have audited the financial statements of The Alborada Trust ("the Charity") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Statement of Financial Position and Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related 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.

The Alborada Trust

Independent Auditor's Report To Trustees of The Alborada Trust (*continued*)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flow, notes to the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. 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 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 in relation to which the Charities Act 2011 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 determines 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent Auditor's Report To Trustees of The Alborada Trust (*continued*)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence;
- In addressing the risk of fraud in income recognition we considered management's incentives and opportunities for fraudulent manipulation of the financial statements and designed specific audit tests to respond to this risk, in particular tests to address the completeness of income risk; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

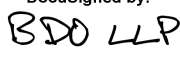
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Heather Wheelhouse (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 28 July 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Alborada Trust

Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 December 2021

	Note	Total unrestricted funds 2021 £	Total unrestricted funds 2020 £
Income from:			
Donation from founding member		25,000,000	6,300,000
Investments	2	82,170	25,988
Total income		25,082,170	6,325,988
Expenditure on:			
Raising funds	4	(58,515)	(21,423)
Charitable activities	5	(5,023,677)	(2,890,858)
Total expenditure		(5,082,192)	(2,912,281)
Net income before gains and losses		19,999,978	3,413,707
Net gains on investments	7	1,160,802	85,035
Net income		21,160,780	3,498,742
Other recognised gains and losses:			
Losses on foreign exchange		(10,816)	(8,701)
Net movement in funds		21,149,964	3,490,041
Total funds brought forward	12	(1,393,513)	(4,883,554)
Total funds carried forward	12	19,756,451	(1,393,513)

All amounts relate to unrestricted funds and to continuing activities.

There were no recognised gains or losses other than those stated above and therefore those stated above represent total comprehensive income.

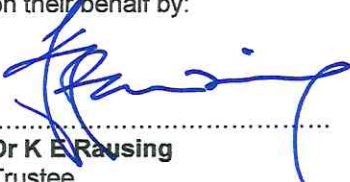
The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	7	30,099,526	8,126,445
Current assets			
Debtors	8	22,906	8,922
Cash at bank		8,476	8,682
Total current assets		31,382	17,604
Liabilities			
Amounts falling due within one year	9	(4,954,179)	(3,542,562)
Net current liabilities		(4,922,797)	(3,524,958)
Total assets less current liabilities		25,176,729	4,601,487
Amounts falling due after one year	10	(5,420,278)	(5,995,000)
Total net assets/(liabilities)	13	19,756,451	(1,393,513)
The Funds of the Charity:			
Unrestricted funds	12	19,756,451	(1,393,513)

The financial statements were approved by the trustees and authorised for issue on 22/7/22 and signed on their behalf by:


.....
Dr K E Rausing
Trustee

The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Cash flow statement for the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash provided by operating activities	14	20,762,190	1,144,023
Cash flows from investing activities:			
Dividends, interest and rents from investments		60,664	25,988
Proceeds from sale of investments	7	92,609,000	4,449,361
Purchase of investments	7	(117,923,825)	(234,112)
Net cash provided by investing activities		(25,253,561)	4,241,237
Change in cash and cash equivalents in the reporting period		(4,491,371)	5,385,260
Cash and cash equivalents at the beginning of year	15	6,102,846	717,586
Movement on revaluation of foreign cash		(52,438)	-
Cash and cash equivalents at the end of year	15	1,559,037	6,102,846

The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The 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 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 (FRS102) issued on 1 January 2019 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

The financial statements are prepared in sterling, being the functional currency of the entity, and have been rounded to the nearest pound.

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

Estimates and judgements

The preparation of the financial statements requires the trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The trustees' consider that there are no key sources of estimation uncertainty.

The following accounting policies have been applied:

Going Concern

The trustees have reviewed the trust's investments and operations in response to the impact of the Covid-19 pandemic. The budget for charitable activities in 2022 is, at this time, unaffected and based on a commitment from the founding trustee there will be sufficient cash resources available to meet pre-existing grant commitments and operations costs. The trust holds reserves to supplement income requirements to meet its charitable objectives as required. The trustees consider that there are no material uncertainties over the trust's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price.

The main form of financial risk faced by the trust is that of volatility in the investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors of sub-sectors.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Principal accounting policies (*continued*)

Gains/losses on Investments

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

Income

Income is stated on a receivable basis.

Income received by way of donations is included in full in the Statement of Financial Activities when receivable.

Investment income is credited gross to the Statement of Financial Activities on the date it becomes receivable.

Expenditure

All expenditure is accounted for on an accruals basis, and is allocated to the appropriate heading in the accounts. Expenditure includes any related VAT and this is reported as part of the expenditure to which it is related.

Charitable expenditure comprises those direct costs incurred by the charity in the delivery of its activities and services to its beneficiaries and are provided for when approved by the trustees.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and any costs linked to the strategic management of the charity. The trustees deem the governance costs to be the only support costs of the trust.

Charitable donations are grants payable to third parties in the furtherance of the charitable objectives of the trust. Grants are paid at the discretion of the trustees and are accounted for where the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grants outside the control of the trust.

Taxation

The trust is a registered charity and as such is entitled to tax exemptions on income and gains properly applied for its charitable purposes.

Fund accounting

The unrestricted general funds are those funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Principal accounting policies (*continued*)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment Income

	2021 £	2020 £
Dividends and distributions	82,170	25,667
Deposit interest income	-	321
	<u>82,170</u>	<u>25,988</u>

Investment income was fully unrestricted in the current and prior year.

3 Net income

	2021 £	2020 £
Net income is stated after charging:		
Auditors remuneration – audit	14,200	10,000
Auditors remuneration – accountancy and other services	1,800	6,299
	<u>16,000</u>	<u>16,299</u>

4 Expenditure on Raising Funds

	2021 £	2020 £
Investment management fees	17,001	13,020
Commission and other charges	41,514	8,403
	<u>58,515</u>	<u>21,423</u>

Expenditure on raising funds was fully unrestricted in the current and previous year.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

5 Expenditure on Charitable activities

	2021 £	2020 £
Grants	4,899,054	2,797,219
Governance costs:		
- Audit and accountancy fees	20,550	18,299
- Trust administration expenses	82,257	57,994
- Legal and secretarial fees	6,816	2,346
- Consulting fees	15,000	15,000
	<u>5,023,677</u>	<u>2,890,858</u>

6 Staff costs

	2021 £	2020 £
Wages and salaries	71,000	50,000
Social security	3,362	4,850
	<u>74,362</u>	<u>54,850</u>

The trust had two employees during the year (2020 - two). No employee received remuneration greater than £60,000 during the year.

Trustees are considered to be key management personnel and no trustee received remuneration or purchased indemnity insurance in the year in the current or prior year.

During the year, no trustees were reimbursed for any expenses (2020 - no trustees were reimbursed for any expenses).

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

7 Investments

The portfolio is structured to provide a wide range of diversification to protect the trust's assets, and to produce a balance of income and capital growth in accordance with benchmarks agreed with the investment manager.

	2021 £	2020 £
Market value brought forward	2,032,281	6,078,594
Additions	117,923,825	234,112
Disposal proceeds	(92,609,600)	(4,449,361)
Net realised gain on disposals and revaluations	1,160,802	85,035
Exchange loss	41,657	83,901
Market value carried forward (excluding cash)	28,548,965	2,032,281
Cash under management	1,550,561	6,094,164
Market value carried forward	30,099,526	8,126,445
Historical cost carried forward	28,145,218	8,057,420
Investments comprise:		
Fixed income securities (Listed)	2,520,626	6,526
Funds	9,009,179	54,495
Equities (Listed)	16,603,546	1,962,316
Private equity	5,543	8,945
FX forwards	410,071	-
Cash	1,550,561	6,094,163
	30,099,526	8,126,445

Investments representing over 5% by value of the Investment portfolio (excluding cash under management) comprise:

	Holding	2021 £	%
ETF SPDE Bloomberg Barclays U.S. Treasury Bonds UCITS	42,000	3,490,385	12%
JFK Capital alternative SICAV Compartment FOHF Class A	9,283.576	7,870,823	26%

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

8 Debtors

	2021 £	2020 £
Debtors due after more than one year		
Prepayments and accrued income	-	2,600
Debtors due within one year		
Prepayments and accrued income	22,906	6,152
Trade debtors	-	170
	<u>22,906</u>	<u>8,922</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable (see note 11)	4,932,398	3,529,815
Accruals	21,781	12,747
	<u>4,954,179</u>	<u>3,542,562</u>

10 Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable (see note 11)	<u>5,420,278</u>	<u>5,995,000</u>

11 Grants payable

	2021 £	2020 £
Amounts due:		
Within one year	4,932,398	3,529,815
After one year	5,420,278	5,995,000
	<u>10,352,676</u>	<u>9,524,815</u>
Balance at 1 January 2021	9,524,815	11,492,969
Grants awarded in the year	4,899,054	2,797,219
Grants paid in the year	(4,071,193)	(4,765,373)
	<u>10,352,676</u>	<u>9,524,815</u>

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Movement of Grants in the year:

	Balance bfwd 1 January 2021	Amount awarded/ adjusted in year	Amount paid in the year	Balance cfwd 31 December 2021
Addenbrookes Charitable Trust	-	948,060	(90,110)	857,950
Alzheimer's Research UK	2,000,000	-	(1,000,000)	1,000,000
Action Aid Rohingya	-	100,000	(100,000)	-
Action Aid UK - Cyclone Idai	120,000	-	(120,000)	-
Action Against Hunger (Uganda, Haiti and Afghanistan)	-	427,800	(427,800)	-
ActionAid UK Supporter Payments (Tigray conflict Ethiopia)	-	150,000	(150,000)	-
Anne Robson Trust	-	40,000	(40,000)	-
The British Racing School	-	10,000	(10,000)	-
David Sheperd Wildlife Foundation	-	232,500	(232,500)	-
Goodwill Caravan	-	40,000	-	40,000
Great Ormond Street	200,000	(200,000)	-	-
Horatios Garden	75,000	-	(25,000)	50,000
Karen Hilltribes Trust	-	25,000	(25,000)	-
Kings Global Healt Partnerships/King's College	50,000	-	(25,000)	25,000
Médecins Sans Frontieres Shatila Refugee Camp	-	85,855	(85,855)	-
Médecins Sans Frontieres Maban Doro Refugee Camp, South Sudan	-	285,855	(85,855)	200,000
Médecins Sans Frontieres Rohingya, Bangladesh	-	285,855	(85,855)	200,000
Médecins Sans Frontieres Bentiu Secondary Healthcare, South Sudan	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Kule and Tierkidi Refugee Camp, Ethiopia	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Mother and Child Hospital, Taiz Houban, Yemen	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Earthquake response Haiti	-	100,000	(100,000)	-
Medical Dedection Dogs	-	10,000	(10,000)	-
Mercy Ships UK	-	105,000	(35,000)	70,000
Murray Edwards College	105,000	-	(35,000)	70,000
Multiple Sclerosis Society	100,000	-	(100,000)	-
Priscilla Bacon Norfolk Hospice Care Ltd	-	100,000	(100,000)	-
The Queen Elizabeth Scholarship Trust Ltd	-	9,400	(9,400)	-
Riding for the Disabled Association - RDA	-	30,000	-	30,000
RVC Veterinary Research Dr Debbie Guest	299,756	-	(50,940)	248,816
Stroke Association	-	115,265	-	115,265
The Brooke Hospital for Animals LTD	-	1,070,557	(308,111)	762,446
The Princes Trust	145,673	-	(145,673)	-
The Racing Foundation	-	10,000	(10,000)	-
The Soulsby Foundation	100,000	-	(25,000)	75,000
University of Cambridge - Dept. Of Surgery	189,292	-	-	189,292
University of Cambridge - Africa Project	2,600,000	-	-	2,600,000
University of Cambridge "The Alborada Professorship"	2,261,000	-	-	2,261,000
University of Cambridge Stem cell Prof Tony Green	240,000	-	-	240,000
University of Cambridge Prof James Wood	100,000	-	(100,000)	-
Balance c/fwd	8,585,721	4,881,147	(3,832,099)	9,634,769

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Movement of Grants in the year (continued)

	Balance b/wd 1 January 2021	Amount awarded/ adjusted in year	Amount paid in the year	Balance c/wd 31 December 2021
Balance b/wd from previous page	8,585,721	4,881,147	(3,832,099)	9,634,769
University of Surrey "Alborada Trust Well Foal Study"	69,094	17,907	(69,094)	17,907
Wavertree Trust	70,000	-	(10,000)	60,000
Wolfson College Cambridge	800,000	-	(160,000)	640,000
Total	9,524,815	4,899,054	(4,071,193)	10,352,676

Grant movement in the prior year

	Balance b/wd 1 January 2020	Amount awarded/ adjusted in year	Amount paid in the year	Balance c/wd 31 December 2020
Action AID – Cyclone Idai	240,000	-	(120,000)	120,000
Action AID - Rohingya	84,814	-	(84,814)	-
Addenbrookes Charitable Trust	-	262,000	(262,000)	-
Animal Health Trust	300,000	-	(300,000)	-
Anne Robson Trust	30,000	-	(30,000)	-
ARUK – The Alborada Drug Discovery Institute	3,000,000	-	(1,000,000)	2,000,000
Brooke Hospital for Animals	250,000	-	(250,000)	-
David Shepherd Wildlife Foundation	-	100,000	(100,000)	-
East Anglia Air Ambulance	30,000	(5,000)	(25,000)	-
Great Ormond Street	-	200,000	-	200,000
Horatios Garden	-	75,000	-	75,000
Injured Jockeys Fund	180,000	-	(180,000)	-
Inspire Suffolk Ltd	-	25,000	(25,000)	-
International Spinal Research Trust	100,000	-	(100,000)	-
Kings Global Health Partnerships	-	50,000	-	50,000
Maggie's	-	45,000	(45,000)	-
Médecins Sans Frontières	169,191	97,827	(267,018)	-
Multiple Sclerosis Society	200,000	-	(100,000)	100,000
Murray Edwards College	-	105,000	-	105,000
New Beginnings	-	27,600	(27,600)	-
Newmarket Day Centre CIO	-	20,000	(20,000)	-
Plan (UK)	-	56,500	(56,500)	-
Qest	6,000	-	(6,000)	-
RVC – De Mestre	15,963	(270)	(15,693)	-
RVC Veterinary Research	-	299,756	-	299,756
SCI Nurse Specialist	-	25,000	(25,000)	-
Southern Thailand Elephant Foundation	-	19,500	(19,500)	-
St John Ambulance	-	105,000	(105,000)	-
Stroke Association	-	57,956	(57,956)	-
Suffolk Community Foundation	-	25,000	(25,000)	-
Balance c/wd	4,605,968	1,590,869	(3,247,081)	2,949,756

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Grant movement in the prior year (continued)

	Balance bfwd 1 January 2020	Amount awarded/ adjusted in year	Amount paid in the year	Balance cfwd 31 December 2020
Balance b/fwd from previous page	4,605,968	1,590,869	(3,247,081)	2,949,756
The ALBORADA Professorship, Cambridge	2,535,000	-	(274,000)	2,261,000
The Country Food Trust	-	20,000	(20,000)	-
The Princes Trust	-	145,673	-	145,673
The Racing Centre	-	20,000	(20,000)	-
The Racing Foundation	-	200,000	(200,000)	-
The Soulsby Foundation	125,000	-	(25,000)	100,000
The Wavertree Charitable Trust	80,000	-	(10,000)	70,000
University of Cambridge (Africa Project)	3,100,000	-	(500,000)	2,600,000
University of Cambridge (Research support for the Cambridge Movement Initiative)	-	378,584	(189,292)	189,292
University of Cambridge (Stem Cell)	-	360,000	(120,000)	240,000
University of Cambridge Dr James Wood	-	100,000	-	100,000
University of Surrey - The ALBORADA Trust Well Foal Study	87,001	(17,907)	-	69,094
Wolfson College Cambridge	960,000	-	(160,000)	800,000
Total	11,492,969	2,797,219	(4,765,373)	9,524,815

12 Funds

	At 1 January 2021 £	Incoming resources £	Outgoing Resources £	Gains/(losses) £	At 31 December 2021 £
Unrestricted Funds	(1,393,513)	25,082,170	(5,082,192)	1,149,986	19,756,451
	At 1 January 2020 £	Incoming resources £	Outgoing Resources £	Gains/(losses) £	At 31 December 2020 £
Unrestricted Funds	(4,883,554)	6,325,988	(2,912,281)	76,334	(1,393,513)

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

13 Analysis of net assets/(liabilities) between Funds

	2021 Unrestricted £	2020 Unrestricted £
Investments	30,099,526	8,126,445
Net current liabilities	(4,922,797)	(3,524,958)
Liabilities due in more than one year	(5,420,278)	(5,995,000)
	<u>19,756,451</u>	<u>(1,393,513)</u>

14 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income	21,160,780	3,490,041
Cash flows from operating activities:		
Gains on investments	(1,160,802)	(168,936)
Dividends, interest and rents from investments	(82,170)	(25,988)
(Decrease)/increase in debtors	7,487	(8,908)
Increase/(decrease) in creditors	836,895	(2,142,186)
	<u>20,762,190</u>	<u>1,144,023</u>

15 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	8,476	8,682
Cash held by investment manager	1,550,561	6,094,164
	<u>1,559,037</u>	<u>6,102,846</u>

16 Analysis of net debt

	At 1 January 2021 £	Cash flows £	Foreign Exchange £	At 31 December 2021 £
Cash at bank and in hand	8,682	(206)	-	8,476
Cash held in investments	6,094,164	(4,491,165)	(52,438)	1,550,561
	<u>6,102,846</u>	<u>(4,491,371)</u>	<u>(52,438)</u>	<u>1,559,037</u>

17 Related party transactions

The trust received a donation of £25,000,000 (2020: £6,300,000) from Dr K E Rausing, trustee, during the year, of which £Nil (2020 – £Nil) was outstanding at year end.

The Alborada Trust

Annual Report and Financial Statements

Year Ended

31 December 2021

Registered Charity No. 1091660

The Alborada Trust

Report and financial statements for the year ended 31 December 2021

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10	Statement of Financial Position
11	Statement of Cash Flows
12	Notes to the Financial Statements

The Alborada Trust

Reference and Administration Information for the year ended 31 December 2021

Registered Charity Name

The Alborada Trust

Charity Registration Number

1091660

Principal Office Address

Lanwades Stud
Moulton
Newmarket
CB8 8QS

Trustees

Dr E K E Rausing
Mr R Lerner
Captain J Nicholson
Mr R T A Goff
Mr L Pillard
Mrs A E Traub (appointed 15 March 2021)

Secretary

J Richardson

Bankers

Julius Bar, Bahnhofstrasse 26, CH-8010 Zurich
Barclays, 58 High Street, Newmarket, Suffolk, CB8 8NH

Investment manager

Longbow Finance SA, Route De Lavaux 36, Lutry CH – 1095, Switzerland

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021

The trustees present their report along with the financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 14 and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, Governance and Management

The Alborada Trust, a private philanthropic trust founded by Kirsten Rausing, is an unincorporated registered Charity, established by a Deed of Trust dated 1 October 2001 and amended by a supplemental deed dated 5 March 2002. Under the terms of the Deed, the trustees shall hold the original capital and the income of the Trust Fund upon trust to apply the income, and as far as necessary the capital, for or towards such charitable purposes and to make grants to such charitable bodies or institutions at such time or times and in such manner as the trustees may in their absolute discretion think fit.

Trustees serve an indefinite term based on their relative experience and contribution to the Charity as a whole. The trustees keep the skill requirements of the trustee body under review and in the event that a trustee retires or additional new trustees are required, the existing trustees collectively discuss the change. There is no formal induction or training of new trustees. However, appointment is by nomination and the trustees review the skills of each nominated person to select members with the relevant experience and skills.

The power of appointment of new trustees is vested in and exercisable by the continuing trustees.

At the trustees' meetings held during the year the trustees agree the strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance. The trustees who served during the year and the principal address of the trust is detailed on page 1.

Risk Management

The trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The trustees consider market price risk and credit risk to be the most significant investment risks. Market price risk is managed by investment in a diverse portfolio managed by an independent fund manager. Credit risk is managed by investment in investment grade securities.

In particular, the trustees have considered the risks presented by COVID-19 and consider the trust to be well positioned to mitigate these risks. The reserves comprising cash and investments together with a commitment from the founding trustee will enable the trust to meet its obligations as they fall due.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Objectives and Activities

The charity's aims are the funding of medical and veterinary causes, research and education and for the relief of poverty and of human and animal suffering, sickness and ill-health.

The main objectives for the year are shaped by these strategic aims with a view to continue funding chosen general charitable causes in line with the Trust Deed.

Grant Making Policy

The trustees' funds are fully committed and unsolicited applications are not requested.

The trustees will donate the annual available income to approved charities and prefer to support grants to Charities whose work they have researched and which is in accordance with the aims and objectives of the Charity for the year.

The trustees request regular updates from those charities that they have supported to provide details of how the grants have been allocated and spent. Grants are only continued where the applicant provides sufficient relevant information to the trustees and satisfies the trustees that continuation of funding is in the interests of the Charity and its aims and objectives.

Performance for the Year

The trustees try to predict the level of income that they expect to receive each year so that they can plan the level of grants for each financial year. Investment returns amounted to £1,242,972 (2020 - £111,023). The trustees distributed £4,071,193 (2020 - £4,765,373) by way of grants.

The Charity's income for the year ended 31 December 2021 included donations receivable, dividends and interest amounting to £25,082,170 (2020 - £6,325,988). Realised and unrealised gains and losses on investments amounted to an overall gain of £1,160,802 (2020 - £85,035).

The trusts' net assets and total unrestricted reserves as at 31 December 2021 amounted to £19,756,451 (2020 – net liabilities and deficit of £1,393,513).

The trustees report net income before other gains and losses for the year of £21,160,780 (2020 - £3,498,742).

Reserves

The reserves policy of the trust is to ensure that at all times it has sufficient reserves to meet its commitments for the next three months. The charity like many grant making charities has very low fixed costs. The founding trustee funds the charity and makes donations from time to time to ensure that the charity can meet its grant obligations as they fall due. At the end of the year the trust was in a net asset position following the donations made to the Trust during the year by the founding trustee. This has resulted in there being sufficient reserves available to meet the grants awarded by the Board of Trustees as they fall due. This includes some multi-year grants.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Investment Policy and Performance

The trustees have a balanced investment policy and aim to maintain free reserves in unrestricted funds at a level which is sufficient to wholly distribute the income of the trust fund whilst retaining capital for the maintenance and growth of the Fund.

The trustees' policy is to invest the fund in secure markets, endeavouring to obtain a reasonable income, compatible with protection of the capital value involved and taking into account inflationary factors. With this in mind, the trustees have appointed the services of investment managers to guide and act for them on a professional basis. The trustees monitor the performance of the investments in line with their short and long term aims and objectives, as well as undertaking regular reviews with the investment managers at the trustees' meetings throughout the financial year.

Investments are shown at market value rather than book cost in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities.

The trustees confirm that the Charity's assets are sufficient to fulfil its obligations in respect of unrestricted funds and that all investments held by them on behalf of the Charity have been acquired in accordance with the powers available to them under the Trust Deed.

Plans for Future Periods

The trustees are mindful of the importance of animal welfare and related research together with projects dealing with the relief of poverty, human suffering, sickness or ill health throughout the world. They would like to continue their current line of support by providing grants to selected organisations.

The Alborada Trust is a lasting testimony to the generosity and philanthropic concerns of the Founder.

Charity's Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. This is evidenced by the contributions paid to registered charities totalling £4,071,193 (2020 - £4,765,373).

Going Concern

The trustees have reviewed the trust's investments and operations in response to the impact of the Covid-19 pandemic. The budget for charitable activities in 2022 is, at this time, unaffected and based on a commitment from the founding trustee there will be sufficient cash resources available to meet pre-existing grant commitments and operations costs. The trust holds reserves to supplement income requirements to meet its charitable objectives as required.

The trustees consider that there are no material uncertainties over the trust's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

The Alborada Trust

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and regulations

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

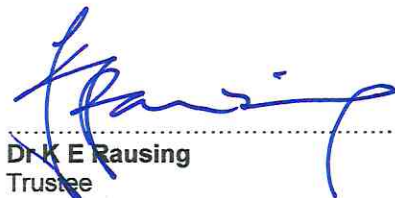
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust's trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution concerning the appointment of BDO as auditor to the company, will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board of Trustees on 22/7/22 and signed on its behalf by:



Dr K E Rausing
Trustee

The Alborada Trust

Independent Auditor's Report To Trustees of The Alborada Trust

INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF THE ALBORADA TRUST

Opinion on the 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 December 2021 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.

We have audited the financial statements of The Alborada Trust ("the Charity") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Statement of Financial Position and Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related 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.

The Alborada Trust

Independent Auditor's Report To Trustees of The Alborada Trust (*continued*)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flow, notes to the financial statements and our auditor's report thereon. The other information comprises: Report of the Trustees. 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 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 in relation to which the Charities Act 2011 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 determines 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Alborada Trust

Independent Auditor's Report To Trustees of The Alborada Trust (*continued*)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence;
- In addressing the risk of fraud in income recognition we considered management's incentives and opportunities for fraudulent manipulation of the financial statements and designed specific audit tests to respond to this risk, in particular tests to address the completeness of income risk; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

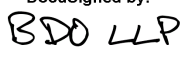
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Heather Wheelhouse (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 28 July 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Alborada Trust

Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 December 2021

	Note	Total unrestricted funds 2021 £	Total unrestricted funds 2020 £
Income from:			
Donation from founding member		25,000,000	6,300,000
Investments	2	82,170	25,988
Total income		25,082,170	6,325,988
Expenditure on:			
Raising funds	4	(58,515)	(21,423)
Charitable activities	5	(5,023,677)	(2,890,858)
Total expenditure		(5,082,192)	(2,912,281)
Net income before gains and losses		19,999,978	3,413,707
Net gains on investments	7	1,160,802	85,035
Net income		21,160,780	3,498,742
Other recognised gains and losses:			
Losses on foreign exchange		(10,816)	(8,701)
Net movement in funds		21,149,964	3,490,041
Total funds brought forward	12	(1,393,513)	(4,883,554)
Total funds carried forward	12	19,756,451	(1,393,513)

All amounts relate to unrestricted funds and to continuing activities.

There were no recognised gains or losses other than those stated above and therefore those stated above represent total comprehensive income.

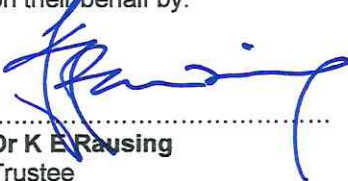
The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	7	30,099,526	8,126,445
Current assets			
Debtors	8	22,906	8,922
Cash at bank		8,476	8,682
Total current assets		31,382	17,604
Liabilities			
Amounts falling due within one year	9	(4,954,179)	(3,542,562)
Net current liabilities		(4,922,797)	(3,524,958)
Total assets less current liabilities		25,176,729	4,601,487
Amounts falling due after one year	10	(5,420,278)	(5,995,000)
Total net assets/(liabilities)	13	19,756,451	(1,393,513)
The Funds of the Charity:			
Unrestricted funds	12	19,756,451	(1,393,513)

The financial statements were approved by the trustees and authorised for issue on 22/7/22 and signed on their behalf by:



Dr K E Rausing
 Trustee

The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Cash flow statement for the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash provided by operating activities	14	20,762,190	1,144,023
Cash flows from investing activities:			
Dividends, interest and rents from investments		60,664	25,988
Proceeds from sale of investments	7	92,609,000	4,449,361
Purchase of investments	7	(117,923,825)	(234,112)
Net cash provided by investing activities		(25,253,561)	4,241,237
Change in cash and cash equivalents in the reporting period		(4,491,371)	5,385,260
Cash and cash equivalents at the beginning of year	15	6,102,846	717,586
Movement on revaluation of foreign cash		(52,438)	-
Cash and cash equivalents at the end of year	15	1,559,037	6,102,846

The notes on pages 12 to 21 form part of these accounts.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The 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 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 (FRS102) issued on 1 January 2019 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

The financial statements are prepared in sterling, being the functional currency of the entity, and have been rounded to the nearest pound.

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

Estimates and judgements

The preparation of the financial statements requires the trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The trustees' consider that there are no key sources of estimation uncertainty.

The following accounting policies have been applied:

Going Concern

The trustees have reviewed the trust's investments and operations in response to the impact of the Covid-19 pandemic. The budget for charitable activities in 2022 is, at this time, unaffected and based on a commitment from the founding trustee there will be sufficient cash resources available to meet pre-existing grant commitments and operations costs. The trust holds reserves to supplement income requirements to meet its charitable objectives as required. The trustees consider that there are no material uncertainties over the trust's ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price.

The main form of financial risk faced by the trust is that of volatility in the investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors of sub-sectors.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Principal accounting policies (*continued*)

Gains/losses on Investments

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

Income

Income is stated on a receivable basis.

Income received by way of donations is included in full in the Statement of Financial Activities when receivable.

Investment income is credited gross to the Statement of Financial Activities on the date it becomes receivable.

Expenditure

All expenditure is accounted for on an accruals basis, and is allocated to the appropriate heading in the accounts. Expenditure includes any related VAT and this is reported as part of the expenditure to which it is related.

Charitable expenditure comprises those direct costs incurred by the charity in the delivery of its activities and services to its beneficiaries and are provided for when approved by the trustees.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and any costs linked to the strategic management of the charity. The trustees deem the governance costs to be the only support costs of the trust.

Charitable donations are grants payable to third parties in the furtherance of the charitable objectives of the trust. Grants are paid at the discretion of the trustees and are accounted for where the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grants outside the control of the trust.

Taxation

The trust is a registered charity and as such is entitled to tax exemptions on income and gains properly applied for its charitable purposes.

Fund accounting

The unrestricted general funds are those funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Principal accounting policies (*continued*)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Investment Income

	2021 £	2020 £
Dividends and distributions	82,170	25,667
Deposit interest income	-	321
	<u>82,170</u>	<u>25,988</u>

Investment income was fully unrestricted in the current and prior year.

3 Net income

	2021 £	2020 £
Net income is stated after charging:		
Auditors remuneration – audit	14,200	10,000
Auditors remuneration – accountancy and other services	1,800	6,299
	<u>16,000</u>	<u>16,299</u>

4 Expenditure on Raising Funds

	2021 £	2020 £
Investment management fees	17,001	13,020
Commission and other charges	41,514	8,403
	<u>58,515</u>	<u>21,423</u>

Expenditure on raising funds was fully unrestricted in the current and previous year.

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

5 Expenditure on Charitable activities

	2021 £	2020 £
Grants	4,899,054	2,797,219
Governance costs:		
- Audit and accountancy fees	20,550	18,299
- Trust administration expenses	82,257	57,994
- Legal and secretarial fees	6,816	2,346
- Consulting fees	15,000	15,000
	<u>5,023,677</u>	<u>2,890,858</u>

6 Staff costs

	2021 £	2020 £
Wages and salaries	71,000	50,000
Social security	3,362	4,850
	<u>74,362</u>	<u>54,850</u>

The trust had two employees during the year (2020 - two). No employee received remuneration greater than £60,000 during the year.

Trustees are considered to be key management personnel and no trustee received remuneration or purchased indemnity insurance in the year in the current or prior year.

During the year, no trustees were reimbursed for any expenses (2020 - no trustees were reimbursed for any expenses).

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

7 Investments

The portfolio is structured to provide a wide range of diversification to protect the trust's assets, and to produce a balance of income and capital growth in accordance with benchmarks agreed with the investment manager.

	2021 £	2020 £
Market value brought forward	2,032,281	6,078,594
Additions	117,923,825	234,112
Disposal proceeds	(92,609,600)	(4,449,361)
Net realised gain on disposals and revaluations	1,160,802	85,035
Exchange loss	41,657	83,901
Market value carried forward (excluding cash)	28,548,965	2,032,281
Cash under management	1,550,561	6,094,164
Market value carried forward	30,099,526	8,126,445
Historical cost carried forward	28,145,218	8,057,420
Investments comprise:		
Fixed income securities (Listed)	2,520,626	6,526
Funds	9,009,179	54,495
Equities (Listed)	16,603,546	1,962,316
Private equity	5,543	8,945
FX forwards	410,071	-
Cash	1,550,561	6,094,163
	30,099,526	8,126,445

Investments representing over 5% by value of the Investment portfolio (excluding cash under management) comprise:

	Holding	2021 £	%
ETF SPDE Bloomberg Barclays U.S. Treasury Bonds UCITS	42,000	3,490,385	12%
JFK Capital alternative SICAV Compartment FOHF Class A	9,283.576	7,870,823	26%

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

8 Debtors

	2021 £	2020 £
Debtors due after more than one year		
Prepayments and accrued income	-	2,600
Debtors due within one year		
Prepayments and accrued income	22,906	6,152
Trade debtors	-	170
	<u>22,906</u>	<u>8,922</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable (see note 11)	4,932,398	3,529,815
Accruals	21,781	12,747
	<u>4,954,179</u>	<u>3,542,562</u>

10 Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable (see note 11)	<u>5,420,278</u>	<u>5,995,000</u>

11 Grants payable

	2021 £	2020 £
Amounts due:		
Within one year	4,932,398	3,529,815
After one year	5,420,278	5,995,000
	<u>10,352,676</u>	<u>9,524,815</u>
Balance at 1 January 2021	9,524,815	11,492,969
Grants awarded in the year	4,899,054	2,797,219
Grants paid in the year	(4,071,193)	(4,765,373)
	<u>10,352,676</u>	<u>9,524,815</u>

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Movement of Grants in the year:

	Balance bfwd 1 January 2021	Amount awarded/ adjusted in year	Amount paid in the year	Balance cfwd 31 December 2021
Addenbrookes Charitable Trust	-	948,060	(90,110)	857,950
Alzheimer's Research UK	2,000,000	-	(1,000,000)	1,000,000
Action Aid Rohingya	-	100,000	(100,000)	-
Action Aid UK - Cyclone Idai	120,000	-	(120,000)	-
Action Against Hunger (Uganda, Haiti and Afghanistan)	-	427,800	(427,800)	-
ActionAid UK Supporter Payments (Tigray conflict Ethiopia)	-	150,000	(150,000)	-
Anne Robson Trust	-	40,000	(40,000)	-
The British Racing School	-	10,000	(10,000)	-
David Sheperd Wildlife Foundation	-	232,500	(232,500)	-
Goodwill Caravan	-	40,000	-	40,000
Great Ormond Street	200,000	(200,000)	-	-
Horatios Garden	75,000	-	(25,000)	50,000
Karen Hilltribes Trust	-	25,000	(25,000)	-
Kings Global Healt Partnerships/King's College	50,000	-	(25,000)	25,000
Médecins Sans Frontieres Shatila Refugee Camp	-	85,855	(85,855)	-
Médecins Sans Frontieres Maban Doro Refugee Camp, South Sudan	-	285,855	(85,855)	200,000
Médecins Sans Frontieres Rohingya, Bangladesh	-	285,855	(85,855)	200,000
Médecins Sans Frontieres Bentiu Secondary Healthcare, South Sudan	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Kule and Tierkidi Refugee Camp, Ethiopia	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Mother and Child Hospital, Taiz Houban, Yemen	-	300,000	(100,000)	200,000
Médecins Sans Frontieres Earthquake response Haiti	-	100,000	(100,000)	-
Medical Dedection Dogs	-	10,000	(10,000)	-
Mercy Ships UK	-	105,000	(35,000)	70,000
Murray Edwards College	105,000	-	(35,000)	70,000
Multiple Sclerosis Society	100,000	-	(100,000)	-
Priscilla Bacon Norfolk Hospice Care Ltd	-	100,000	(100,000)	-
The Queen Elizabeth Scholarship Trust Ltd	-	9,400	(9,400)	-
Riding for the Disabled Association - RDA	-	30,000	-	30,000
RVC Veterinary Research Dr Debbie Guest	299,756	-	(50,940)	248,816
Stroke Association	-	115,265	-	115,265
The Brooke Hospital for Animals LTD	-	1,070,557	(308,111)	762,446
The Princes Trust	145,673	-	(145,673)	-
The Racing Foundation	-	10,000	(10,000)	-
The Soulsby Foundation	100,000	-	(25,000)	75,000
University of Cambridge - Dept. Of Surgery	189,292	-	-	189,292
University of Cambridge - Africa Project	2,600,000	-	-	2,600,000
University of Cambridge "The Alborada Professorship"	2,261,000	-	-	2,261,000
University of Cambridge Stem cell Prof Tony Green	240,000	-	-	240,000
University of Cambridge Prof James Wood	100,000	-	(100,000)	-
Balance c/fwd	8,585,721	4,881,147	(3,832,099)	9,634,769

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Movement of Grants in the year (continued)

	Balance b/wd 1 January 2021	Amount awarded/ adjusted in year	Amount paid in the year	Balance c/wd 31 December 2021
Balance b/wd from previous page	8,585,721	4,881,147	(3,832,099)	9,634,769
University of Surrey "Alborada Trust Well Foal Study"	69,094	17,907	(69,094)	17,907
Wavertree Trust	70,000	-	(10,000)	60,000
Wolfson College Cambridge	800,000	-	(160,000)	640,000
Total	9,524,815	4,899,054	(4,071,193)	10,352,676

Grant movement in the prior year

	Balance b/wd 1 January 2020	Amount awarded/ adjusted in year	Amount paid in the year	Balance c/wd 31 December 2020
Action AID – Cyclone Idai	240,000	-	(120,000)	120,000
Action AID - Rohingya	84,814	-	(84,814)	-
Addenbrookes Charitable Trust	-	262,000	(262,000)	-
Animal Health Trust	300,000	-	(300,000)	-
Anne Robson Trust	30,000	-	(30,000)	-
ARUK – The Alborada Drug Discovery Institute	3,000,000	-	(1,000,000)	2,000,000
Brooke Hospital for Animals	250,000	-	(250,000)	-
David Shepherd Wildlife Foundation	-	100,000	(100,000)	-
East Anglia Air Ambulance	30,000	(5,000)	(25,000)	-
Great Ormond Street	-	200,000	-	200,000
Horatios Garden	-	75,000	-	75,000
Injured Jockeys Fund	180,000	-	(180,000)	-
Inspire Suffolk Ltd	-	25,000	(25,000)	-
International Spinal Research Trust	100,000	-	(100,000)	-
Kings Global Health Partnerships	-	50,000	-	50,000
Maggie's	-	45,000	(45,000)	-
Médecins Sans Frontières	169,191	97,827	(267,018)	-
Multiple Sclerosis Society	200,000	-	(100,000)	100,000
Murray Edwards College	-	105,000	-	105,000
New Beginnings	-	27,600	(27,600)	-
Newmarket Day Centre CIO	-	20,000	(20,000)	-
Plan (UK)	-	56,500	(56,500)	-
Qest	6,000	-	(6,000)	-
RVC – De Mestre	15,963	(270)	(15,693)	-
RVC Veterinary Research	-	299,756	-	299,756
SCI Nurse Specialist	-	25,000	(25,000)	-
Southern Thailand Elephant Foundation	-	19,500	(19,500)	-
St John Ambulance	-	105,000	(105,000)	-
Stroke Association	-	57,956	(57,956)	-
Suffolk Community Foundation	-	25,000	(25,000)	-
Balance c/wd	4,605,968	1,590,869	(3,247,081)	2,949,756

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Grants payable (continued)

Grant movement in the prior year (continued)

	Balance bfwd 1 January 2020	Amount awarded/ adjusted in year	Amount paid in the year	Balance cfwd 31 December 2020
Balance b/fwd from previous page	4,605,968	1,590,869	(3,247,081)	2,949,756
The ALBORADA Professorship, Cambridge	2,535,000	-	(274,000)	2,261,000
The Country Food Trust	-	20,000	(20,000)	-
The Princes Trust	-	145,673	-	145,673
The Racing Centre	-	20,000	(20,000)	-
The Racing Foundation	-	200,000	(200,000)	-
The Soulsby Foundation	125,000	-	(25,000)	100,000
The Wavertree Charitable Trust	80,000	-	(10,000)	70,000
University of Cambridge (Africa Project)	3,100,000	-	(500,000)	2,600,000
University of Cambridge (Research support for the Cambridge Movement Initiative)	-	378,584	(189,292)	189,292
University of Cambridge (Stem Cell)	-	360,000	(120,000)	240,000
University of Cambridge Dr James Wood	-	100,000	-	100,000
University of Surrey - The ALBORADA Trust Well Foal Study	87,001	(17,907)	-	69,094
Wolfson College Cambridge	960,000	-	(160,000)	800,000
Total	11,492,969	2,797,219	(4,765,373)	9,524,815

12 Funds

	At 1 January 2021 £	Incoming resources £	Outgoing Resources £	Gains/(losses) £	At 31 December 2021 £
Unrestricted Funds	(1,393,513)	25,082,170	(5,082,192)	1,149,986	19,756,451
	At 1 January 2020 £	Incoming resources £	Outgoing Resources £	Gains/(losses) £	At 31 December 2020 £
Unrestricted Funds	(4,883,554)	6,325,988	(2,912,281)	76,334	(1,393,513)

The Alborada Trust

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

13 Analysis of net assets/(liabilities) between Funds

	2021 Unrestricted £	2020 Unrestricted £
Investments	30,099,526	8,126,445
Net current liabilities	(4,922,797)	(3,524,958)
Liabilities due in more than one year	(5,420,278)	(5,995,000)
	<u>19,756,451</u>	<u>(1,393,513)</u>

14 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income	21,160,780	3,490,041
Cash flows from operating activities:		
Gains on investments	(1,160,802)	(168,936)
Dividends, interest and rents from investments	(82,170)	(25,988)
(Decrease)/increase in debtors	7,487	(8,908)
Increase/(decrease) in creditors	836,895	(2,142,186)
	<u>20,762,190</u>	<u>1,144,023</u>

15 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	8,476	8,682
Cash held by investment manager	1,550,561	6,094,164
	<u>1,559,037</u>	<u>6,102,846</u>

16 Analysis of net debt

	At 1 January 2021 £	Cash flows £	Foreign Exchange £	At 31 December 2021 £
Cash at bank and in hand	8,682	(206)	-	8,476
Cash held in investments	6,094,164	(4,491,165)	(52,438)	1,550,561
	<u>6,102,846</u>	<u>(4,491,371)</u>	<u>(52,438)</u>	<u>1,559,037</u>

17 Related party transactions

The trust received a donation of £25,000,000 (2020: £6,300,000) from Dr K E Rausing, trustee, during the year, of which £Nil (2020 – £Nil) was outstanding at year end.

Report to the Board of Trustees
THE ALBORADA TRUST

Audit Completion Report: year ending 31 December 2021

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Private and Confidential

Dear Trustees

Financial statements for year ended 31 December 2021

Following the completion of our recent audit of your financial statements, we are writing to advise you of the significant matters which arose in its course.

These are set out this letter and include:

- Key audit and accounting matters
- Narrative reporting matters
- Control environment deficiencies
- Unadjusted/adjusted audit differences

As the purpose of the audit is to form an opinion on the financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

We have prepared this report for your use only. It should not be disclosed to any other person without our express permission in writing. We do not accept responsibility for this report to any other person and we hereby disclaim any and all such liability.

We would like to take this opportunity to thank Jeremy Richardson for his help and co-operation during the course of our audit.

Heather Wheelhouse

Heather Wheelhouse

16 May 2022



Heather Wheelhouse
Partner

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OVERVIEW

As identified in our audit planning report, we assessed the following matters as being the most significant risks of material misstatement in the financial statements.

Significant Audit Risk	Significant Management Judgement Involved	Use of Experts Required	Error Identified	Control Findings to be reported in Management letter	Specific Letter of Representation Point
Management override of controls	Yes	No	No	No	No
Revenue recognition	No	No	No	No	No

In addition to the significant risks identified above the following normal risks were also identified - going concern and grant recognition.



MANAGEMENT OVERRIDE OF CONTROLS

ISA (UK) 240 presumes that Management is in a unique position to perpetrate fraud.

Significant risk	X
Normal risk	
Fraud risk	X
Assess design & implementation of controls to mitigate	X
Significant Management estimates & judgements	X
Controls testing approach	
Substantive testing approach	X

Risk description

- ISA (UK) 240 - The auditor's responsibilities relating to fraud in an audit of financial statements requires us to presume that the risk of management override of controls is present and significant in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.
- The primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement of departmental policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud

Results and conclusion

Our audit procedures included the following:

- A review and verification of journal entries made in the period assessing the completeness of journals and agreeing to supporting documentation. We determined key risk characteristics and selected any journals deemed high risk for testing. We then discussed these journals with management and evidenced to supporting documentation;
- Review related parties transactions;
- A review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias.
- Review of unadjusted audit differences for indications of bias or deliberate misstatement.

No issues were identified in our testing.
Our review determined that there were no estimates and judgements applied by management.

REVENUE RECOGNITION

ISA (UK) 240 presumes that income recognition presents a fraud risk.

Significant management judgment	X
Significant risk	X
Normal risk	
Fraud risk	X
Assess design & implementation of controls to mitigate	X
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	X

Risk description

Under International Standard on Auditing 240 “The Auditor’s responsibility to consider fraud in an audit of financial statements” there is a presumption that income recognition presents a fraud risk.

ISA 240 requires the firm to consider revenue recognition as a significant risk. The Trust’s main source of income comes in the form of investment income and donations from the principal donor.

The International Standards on Auditing (UK) consider revenue recognition to be an inherent fraud risk and on consideration of the Trust’s sources of income, this cannot be rebutted.

For Charities, the risks can be identified as affecting the completeness of income, although there are also risks regarding restrictions, accuracy and existence of income.

The Trust’s accounting policies for income recognition should follow the criteria as set out in FRS 102 and the Charities SORP.

Results and conclusion

Our audit procedures included the following:

- Income recognition procedures were reviewed and tested to ensure income is correctly recognised in the financial statements.
- Income was tested for completeness and accuracy. This was done through a review of expected income from investment reports and a review of paperwork supporting donations that the charity may have received . Cut off was considered in relation to all income categories.

No issues were identified in our testing.

GOING CONCERN

ISA (UK) 570 Going concern

Significant management judgement	X
Significant risk	
Normal risk	X
Fraud risk	X
Assess design & implementation of controls to mitigate	X
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	X

Risk description

Under International Standard on Auditing 570 “Going Concern” the Auditor’s responsibility in an audit of financial statements relating to going concern and the implications for the auditor’s report are set out.

Trustees’ responsibilities

The emergence and spread of Coronavirus has had an effect on business and markets around the world. Guidance is now available to assist in identifying the potential corporate reporting and auditing issues and consequences of the virus. However, given the fast moving and ever-changing nature of the situation, aspects of this guidance will change over time. The outbreak is a post year end event and therefore will not impact on the financial statements for the year ended 31 December 2021.

It is the Trustees’ responsibility to make an assessment of Trust’s ability to continue as Going Concerns to support the basis of preparation for the financial statements. This is a requirement of accounting standards and the Charities Act 2011.

In respect of going concern, Trustees are required to consider events that have occurred after the balance sheet date when determining whether there is a material uncertainty over the ability to continue as a going concern.

The going concern assessment should cover a minimum of 12 months from the date of the Trustees’ approval of the financial statements. However, consideration should also be given to any major events or circumstances that may fall outside this period.

We consider the impact of the pandemic to be a significant risk for all entities and we are required to treat it as such by our regulators.

Results and conclusion

The Trust has net asset situation in the balance sheet at the end of 2021, in the prior years there had been a net liability situation due to the recognition of liabilities for committed grants.

The Trust is the beneficiary of the founding donor, Kirsten Rausing, who has confirmed her continued support through future funding for the Trust. This is included within the Letter of Representation.

Our audit procedures included the following:

- We reviewed the principle risks and uncertainties caused by COVID-19 on the Trust.
- We reviewed the adequacy and appropriateness of financial and narrative reporting disclosure in line with FRC and reporting framework requirements.
- We reviewed the Trustees’ plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances, particularly given the current pandemic and economic environment.

No issues were identified which could cause a material uncertainty to the financial statements, and adequate disclosure has been made.

GRANT RECOGNITION

Grants

Risk description

There is a risk regarding the existence and accuracy of amounts recognised in the financial statements in relation to grants which have been committed to by the Board.

Results and conclusion

Our audit procedures included the following:

- We completed a thorough review of the minutes of the Board meetings to ensure that the list of commitments are recognised in the financial statements;
- We reviewed the items had been pledged during the year to determine the conditions attached to them and hence determine whether under the requirements of the Charity SORP these should be recognised;
- We reviewed the disclosure of grants to ensure that they were correctly presented in the accounts as either due within one year or after one year.

Our work identified that there was an addition error in the spreadsheet prepared and that there was one pledge which was required to be recognised in the financial statements. We also determined that there was an error in the split between the amounts due within one year and due after one year. These are included in the adjusted errors as on page 7.

No further issues were identified in our testing.

Significant management judgement	X
Significant risk	
Normal risk	X
Fraud risk	X
Assess design & implementation of controls to mitigate	X
Significant Management estimates & judgements	
Controls testing approach	
Substantive testing approach	X

ADJUSTED AUDIT DIFFERENCES

Details for the current year

The following audit differences were identified by our audit work. The effect on the net income for the year is a decrease of £339,601.

	SOFA reconciliation	Income and expenditure		Balance sheet	
	£	£	£	£	£
Adjusted audit differences					
Net income for the year before adjustments	21,489,565				
<u>Adjustment 1: Adjustment to split of grant commitment for the year</u>					
DR Grant creditor due within one year	-	-	-	5,830,677	-
CR Grant creditors due within one year	-	-	-	-	(5,420,278)
CR Grants costs for year (SOFA)	410,399	-	(410,399)	-	-
<u>Adjustment 2: Recognition of grant pledged and not recognised in financial statements - Addenbrookes Charitable Trust</u>					
DR Grant cost for the year	(750,000)	750,000	-	-	-
DR Grant creditor due within one year		-	-	-	(750,000)
		750,000	(410,399)	5,830,677	(6,170,278)
Adjusted net income	21,149,964				

UNADJUSTED AUDIT DIFFERENCES

Details for the current year

We are required to bring to your attention audit adjustments that the Board of Trustees is required to consider. The following unadjusted audit differences were identified by our audit work. The effect on the net income for the year would be a decrease of £39,453.

Adjusted audit differences	SOFA reconciliation	Income and expenditure		Balance sheet	
	£	£	£	£	£
Net income for the year before adjustments	21,149,964				
<u>Adjustment 1: Being reduction in investment valuation due to differences in year end valuation and exchange rates</u>					
DR Revaluation of investments	(39,453)	39,453	-	-	-
CR Investments				-	(39,453)
		39,453	-	-	(39,453)
Net income for the year if adjustments were accounted for	21,110,511				

NARRATIVE REPORTING MATTERS

MATTER	COMMENT
The information given in the Trustees Annual Report is required to be consistent with the financial statements.	We found no evidence during the audit of inconsistencies.
The Trustees' Annual Report is not to be materially inconsistent with the financial statements, not materially incorrect with our knowledge acquired in the course of our audit, and not otherwise misleading.	We found no evidence during the audit of inconsistencies.
The Trustees have not provided signed declarations regarding any interests that they hold for the year ended 31 December 2021.	We have obtained confirmation that there have been no changes to the interests that they hold as declared at 31 December 2020.

DEFICIENCIES IDENTIFIED

Control Environment

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to the Finance Committee.

As the purpose of the audit is for us to express an opinion on the Trust's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

Although the Trust is a small organisation, there are segregations of duties in place, for example grant payments are approved by the Trustees at Board meetings, requests for payments are made by Jeremy Richardson and payments are authorised by another.

There were no significant deficiencies identified during the course of our audit.

The following is a housekeeping issue that we have identified.

Area	Observation & implication	Recommendation	Management response
Charity Commission	Whilst completing our review of the Charity Commission website, we identified that a trustee who had been appointed prior to the signing of the 2020 accounts was still not recorded at the Charity Commission.	All appointments should be recorded on the Charity Commission website on a timely basis and as a minimum when the yearly accounts and annual return are completed.	

FOR MORE INFORMATION:

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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