

Charity Registration No. 1121887 (England and Wales)

Company Registration No. 6428637 (England and Wales)

THE BADENOCH TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE BADENOCH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | Lord Offord of Garvel Valerie Tritton Louise Jane Stoten |
| Secretary | Lord Offord of Garvel |
| Charity number | 1121887 (England and Wales) |
| Company number | 6428637 (England and Wales) |
| Registered office | 4th Floor 5 Chancery Lane London WC2A 1LG |
| Independent examiner | Gillian Carlow Member of the Institute of Chartered Accountants of Scotland (M17513) 26 Charlotte Square Edinburgh EH2 4ET |
| Bankers | Royal Bank of Scotland Plc London Drummonds Branch 49 Charing Cross London SW1A 2DX |
| Solicitors | New Quadrant Partners Limited 4th Floor 5 Chancery Lane London WC2A 1LG |

THE BADENOCH TRUST

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THE BADENOCH TRUST
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their statutory report together with the financial statements of The Badenoch Trust for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 9 and 10 of the attached financial statements and comply with the Charity's Trust Deed, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

Activities and specific objects

The Trustees operate a grant giving policy, providing funds for such charitable object or institution as the Trustees think fit.

Applications for donations will be considered from UK registered charities only.

All appeals will only be considered if received in writing and should contain the following:

- Aims and objectives of the charity
- Nature of appeal
- Total target if for a specific project
- Contributions received against target
- Registered Charity Number
- Any other relevant factors

Applications should be accompanied by a set of the charitable organisation's latest report and full financial statements, where appropriate, and should be addressed to:

The Badenoch Trust
C/o Ms V Tritton
Badenoch & Co
26 Charlotte Square
Edinburgh
EH2 4ET

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Trust carries out these objectives by providing grants to institutions that are also UK registered charities, whose objects comply with the Trust's criteria. Whilst the Trustees are mindful of their own obligation to ensure that the Trust benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

Potential recipients of grants are identified by the Trustees individually in areas where it is perceived that public benefit will be achieved. The opportunity to benefit is not restricted in any way except that grants are restricted to bodies registered in the UK, not least to facilitate the Trustees being able to follow up on the efficacy of the grants made. In all other respects grants are not limited in any way except that the recipients should have a charitable need.

The Trustees therefore consider that the Trust's activities are for the benefit of the public generally.

THE BADENOCH TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

The Trustees require the capital to be invested in such a way to ensure it is both flexible and accessible. The Trustees have therefore decided to hold their cash on interest bearing bank accounts.

Financial review

A summary of this year's results can be found on page 6 of this report and accounts.

During the year ended 31 December 2022, total incoming resources amounted to £212,973 (2021 - £100,003) being donations received and Gift Aid along with income arising from the Charity's cash deposits and donations.

Expenditure on charitable activities promoting and enhancing charitable work amounted to £161,000 (2021- £Nil); this includes grant administration costs amounting to £Nil (2021- £Nil). Governance costs, inclusive of bank charges, amounted to £2,777 (2021 - £2,521).

Results for the year

There was a net increase of funds during the year of £49,196 (increase for 2021 - £97,482).

The unrestricted fund represents the funds received by the Charity on its creation, adjusted for net movements since that date. The Trustees have power to meet administrative expenses from this fund and may apply the income towards the general purposes of the Charity.

The Charity is operated as a grant giving charity, and the Trustees' policy is to administer the assets on a minimal risk basis.

The statement of financial activities shows total funds of £149,440 (2021 - £100,244). In light of their intention to continue making charitable grants for the foreseeable future, the Trustees consider this to be acceptable.

Risk management

In line with the management for Charity Trustees to undertake a risk assessment exercise, the Trustees have identified three main areas where risks may occur:

- Governance
- Operational
- Financial

Governance looks at the continuity of trusteeship, the skills and background of the Trustees and the policies of regular meetings of the Trustees to review their aims and activities.

Operational looks at the risk inherent in the delegation of statutory and legal requirements of the Charity, its management and secretarial functions and delegation of certain of those functions.

Financial risks include those inherent in delegation of the financial record keeping of the Charity, its independent examination or audit and review procedures.

Having assessed the major risks to which the Charity is exposed, in particular those relating to its finances, the Trustees believe that by ensuring controls exist over key financial systems incorporating the systems and controls implemented by New Quadrant Partners Limited, subject to regular monitoring, they have established effective systems to mitigate those risks.

The risk assessment is kept under regular review and is fully reassessed annually.

THE BADENOCH TRUST
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Future plans

The Trustees do not anticipate any significant changes to the Charity or its activities over the next five years. In the meantime, it is their intention to meet the objective to continue to make distributions as described above.

Given the levels of expenditure and funds, the Trustees believe that the Charity will continue to operate for the foreseeable future. Therefore the accounts are prepared on the going concern basis.

Structure, governance and management

The Charity was incorporated in England and Wales as a company limited by guarantee on 15 November 2007 (Company Registration No 6428637). In the event of the Charity being wound up, members are required to contribute an amount not exceeding £10 each. The Charity was registered as a charity with the Charity Commission on 10 December 2007. It is governed by its Memorandum and Articles of Association. The Charity is registered under the Charities Act 2011, Charity Registration No 1121887.

The statutory power of appointment of new Trustees lies with those Trustees in office at the time of appointment.

Trustees

The names of the Trustees who served during the year are set out below:

Lord Offord of Garvel

Valerie Tritton

Louise Jane Stoten

Structure and Investment Reporting

The Trustees are ultimately responsible for the policies, activities and assets of the Charity. They meet annually to review the developments with regard to the Charity, its grant giving activities and make any important decisions. When necessary, the Trustees seek advice and support from the Charity's professional advisors including solicitors and accountants. The day-to-day management of the Charity's activities, and the implementation of policies is dealt with by the Trustees themselves. New Quadrant Partners Limited ensure that grant applications are presented to the Trustees as appropriate and maintain the accounting records of the Charity.

At their meetings, the Trustees review the proposals for grants to be made and approve such grants as appropriate.

On agreeing to their appointment, the Trustees are thoroughly briefed by their co-Trustees on the history of the Trust, the day-to-day management, the responsibilities of the Trustees, their current objectives and future plans.

THE BADENOCH TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

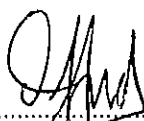
- Select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the on going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included in the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Annual Report was approved by the Trustees and signed on their behalf by:


.....
Lord Offord of Garvel

Dated: 8/3/23

THE BADENOCH TRUST
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE BADENOCH TRUST

I report on the accounts of the Charity for the year ended 31 December 2022, which are set out on pages 6 to 11.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of The Badenoch Trust for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

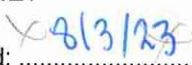
Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Gillian Carlow

Member of the Institute of Chartered Accountants of
Scotland (M17513)
26 Charlotte Square
Edinburgh
EH2 4ET

Dated: 

THE BADENOCH TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | Total 2022 £ | Total 2021 £ |
|---|-------|--------------------|--------------------|
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 212,500 | 100,000 |
| Investments | 4 | 473 | 3 |
| Total income | | 212,973 | 100,003 |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 5 | 163,777 | 2,521 |
| Total resources expended | | 163,777 | 2,521 |
| Net income for the year/ Net movement in funds | | 49,196 | 97,482 |
| Fund balances at 1 January 2022 | | 100,244 | 2,762 |
| Fund balances at 31 December 2022 | | 149,440 | 100,244 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE BADENOCH TRUST

BALANCE SHEET AS AT 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|---------|-----------|---------|
| Current assets | | | | | |
| Cash at bank and in hand | | 199,440 | | 100,244 | |
| Creditors: amounts falling due within one year | 7 | (50,000) | | - | |
| Net current assets | | | 149,440 | | 100,244 |
| Income funds | | | | | |
| Unrestricted funds | | | 149,440 | | 100,244 |
| | | | 149,440 | | 100,244 |


For the financial year ended 31 December 2022, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of Trustees and authorised for issue on 8th March 2023 and are signed on its behalf by:

X  X
.....
Lord Offord of Garvel
Trustee

X  X
.....
Valerie Tritton
Trustee

Company Registration No. 6428637

THE BADENOCH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared for the year to 31 December 2022.

The accounts 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 for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention with items recognised as cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to the accounts.

The accounts have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS102) issued on 16 July 2014, the Charities Act 2011.

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

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Investment income is accounted for in the period in which the charity is entitled to receipt.

THE BADENOCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Resources expended

The cost of charitable activities are included in the statement of financial activities on an accrual basis, inclusive of VAT, which cannot be recovered.

Charitable costs comprise grants payable in promoting and enhancing charitable work carried out by other charitable organisations and the cost of administering the activities of the Charity. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments in the notes to the accounts.

Governance costs include costs which are directly attributable to procedures necessary for compliance with statutory requirements and the governance of the Charity.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Related party transactions

Ms Stoten is a partner at New Quadrant Partners, a firm of solicitors who provided legal and administrative services to the charity during the year. The total fees charged for the year (including VAT and disbursements) were £2,760 (2021- £2,520).

THE BADENOCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No such judgements were required in the preparation of these financial statements.

3 Donations and legacies

| | 2022 £ | 2021 £ |
|---------------------------------|-----------|-----------|
| Donations inclusive of Gift Aid | 212,500 | 100,000 |

4 Income from investments

| | 2022 £ | 2021 £ |
|---------------------|-----------|-----------|
| Interest receivable | 473 | 3 |

5 Charitable activities

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Bank charges | 17 | 1 |
| Administration costs | 2,760 | 2,520 |
| Grant funding of activities (see note 6) | 161,000 | - |
| | 163,777 | 2,521 |

THE BADENOCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Grants payable

| | 2022 £ | 2021 £ |
|--|----------------|-----------|
| Grants to institutions: | | |
| Columba 1400 | 100,000 | - |
| Edinburgh International Festival Opera Project | 2,500 | - |
| Salvesen Mindroom | 52,500 | - |
| Sir Thomas Lipton Foundation | 5,000 | - |
| The Matheson Todd Trust | 1,000 | - |
| | <u>161,000</u> | <u>-</u> |

In the year, the Trustees committed to make a total payment of £100,000 to Columba 1400, split across 2022 and 2023. The first of these two £50,000 payments was made in the year, with the remaining £50,000 outstanding at the year end.

7 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|---------------|---------------|-----------|
| Donations due | <u>50,000</u> | <u>-</u> |

8 Staff Costs and Trustees' Remuneration

The Charity employed no staff during the year or the previous year.

No Trustee received any remuneration in respect of their services during the year or the previous year.

None of the Trustees were reimbursed for travel or other expenses during the year or the previous year.

9 Members' Liability

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are required to contribute an amount not exceeding £10 each.