

**ERSKINE MUTON TRUST FUND  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2021**

**Charity Number 1130199**

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## ERSKINE MUTON TRUST FUND

### REFERENCE AND ADMINISTRATION DETAILS

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<b>Corporate Trustee</b>	HSBC Trust Company (UK) Limited
<b>Current Directors of Corporate Trustee</b>	J Coyle P M Spencer J Hewitson
<b>Trust Manager</b>	A Mellish
<b>Principal Office</b>	Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
<b>Independent Examiner</b>	Frances Millar ACA RSM UK Tax and Accounting Limited Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
<b>Bankers</b>	HSBC Bank plc Forum 1 The Forum Parkway Whiteley Fareham Hampshire PO15 7PA
<b>Investment Managers</b>	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

## **ERSKINE MUTON TRUST FUND**

### **REPORT OF THE TRUSTEE FOR THE YEAR ENDED 5 APRIL 2021**

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The Trustee presents this report together with the financial statements of the charity for the year ended 5 April 2021, which have been prepared on a receipts and payments basis. The financial statements have been prepared in accordance with the charity's constitution and applicable law.

The purchase and sale of investments results from the day to day management of the investment portfolio by the Investment Manager. In accordance with the Charities Act, the financial statements have been prepared on the receipts and payments basis given that the definition of gross income excludes the receipt of any endowment, loans and proceeds from the sale of investments or fixed assets.

#### **Reference and administration**

The Erskine Muton Trust Fund is an unincorporated trust and is constituted under the terms of the trust deed dated 27 May 2009. The trust is a registered charity (no.1130199).

The Corporate Trustee has appointed a designated trust manager to look after the affairs of the charity. The Investment Manager reviews the performance and provides recommendations on the structure of the investment portfolio.

The power to appoint additional Trustees is vested in the current Trustee and is exercisable in writing. Should new Trustees be appointed, the existing Trustee would take responsibility for their induction.

The Trustee has examined the major strategic, business and operational risks which the charity faces, and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

#### **Objectives and activities**

The objectives of the charity is to further the religious and other charitable work of the Church of England, as carried out in any church or churches in Dorset (excluding St. Peter's Church, Eype), but with discretion to distribute in other areas. This is pursued through the awarding of grants, in accordance with the terms of the governing document.

#### **Achievements and performance**

During the year 17 grants (2020: 31 grants) totalling £233,000 (2020: £269,000) were awarded to charitable institutions. No grants (2020: 1 grant totalling £3,000) were returned during the year. No grants were awarded to individuals in either year. Details of these grants are set out in Appendix 1 to the financial statements.

Where grant payments are not banked by the beneficiary they are credited against grants paid in the period that the grant becomes stale.

#### **Financial review**

The fund generated income of £212,283 (2020: £248,619) in the year, which facilitated the expenditure on charitable activities of £290,161 (2020: £318,941) of which £233,000 (2020: £266,000) was direct charitable expenditure in the form of grants to charitable institutions. The beneficiaries are disclosed in Appendix 1 of the financial statements.

#### **Investment policy**

In accordance with the governing document, the Trustee has the power to invest in such stocks, shares, investments and property as it sees fit. The Trustee engaged HSBC UK Bank plc as Investment Manager. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

## **ERSKINE MUTON TRUST FUND**

### **REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2021**

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#### **Reserves policy**

The unrestricted funds, which are the free reserves of the charity, and which are represented by the income arising are paid over to beneficiaries throughout the year. The balance of unrestricted funds held at 5 April 2021 is £121,442 (2020: £151,986). It is not the policy of the charity to maintain specific reserves and the Trustee is reviewing potential beneficiaries to whom these funds may be distributed in the next financial year.

The expendable endowment funds represent those assets which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objectives of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The Trustee has the power to convert this fund into income.

#### **Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the Trustee considers how planned activities will contribute to the aims and objectives they have set.

#### **Plans for the future**

The Trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

#### **Related parties**

The Corporate Trustee and the Investment Manager are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to the fees shown on page 6, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.

## ERSKINE MUTON TRUST FUND

### REPORT OF THE TRUSTEE cont. FOR THE YEAR ENDED 5 APRIL 2021

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#### Statement of Trustee's responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which ensure them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The Trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee and signed on its behalf by:

*Andrea Mellish*  
.....  
HSBC Trust Company (UK) Limited

Date: 27/01/2022 .....

## ERSKINE MUTON TRUST FUND

### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF ERSKINE MUTON TRUST FUND

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I report to the Trustee on my examination of the financial statements of Erskine Muton Trust Fund for the year ended 5 April 2021, which are set out on pages 6 to 7.

#### **Responsibilities and basis of report**

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

#### **Independent Examiner's statement**

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

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

*Frances Millar*

Frances Millar ACA  
The Institute of Chartered Accountants in England and Wales  
Chartered Accountant

On behalf of RSM UK Tax and Accounting Limited  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY  
Date: 31-Jan-2022

# ERSKINE MUTON TRUST FUND

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<b>Receipts</b>				
Investment income	212,283	-	<b>212,283</b>	248,619
	<u>212,283</u>	<u>-</u>	<u><b>212,283</b></u>	<u>248,619</u>
<b>Investment sale proceeds</b>				
Proceeds from the sale of investments	-	6,129,486	<b>6,129,486</b>	7,918,027
	<u>-</u>	<u>6,129,486</u>	<u><b>6,129,486</b></u>	<u>7,918,027</u>
<b>Total receipts</b>	<u>212,283</u>	<u>6,129,486</u>	<u><b>6,341,769</b></u>	<u>8,166,646</u>
<b>Payments</b>				
<b>Cost of generating funds</b>				
Investment service charge	-	2,600	<b>2,600</b>	23,669
	<u>-</u>	<u>2,600</u>	<u><b>2,600</b></u>	<u>23,669</u>
<b>Charitable activities</b>				
Grants paid	233,000	-	<b>233,000</b>	266,000
Other allocated costs	57,161	-	<b>57,161</b>	52,941
	<u>233,000</u>	<u>-</u>	<u><b>233,000</b></u>	<u>266,000</u>
<b>Governance costs</b>				
Independent examiner's fee	2,982	-	<b>2,982</b>	2,892
	<u>2,982</u>	<u>-</u>	<u><b>2,982</b></u>	<u>2,892</u>
	<u>293,143</u>	<u>2,600</u>	<u><b>295,743</b></u>	<u>345,502</u>
<b>Investment purchases</b>				
Payments for purchases of investments	-	6,275,230	<b>6,275,230</b>	7,627,146
	<u>-</u>	<u>6,275,230</u>	<u><b>6,275,230</b></u>	<u>7,627,146</u>
<b>Total payments</b>	<u>293,143</u>	<u>6,277,830</u>	<u><b>6,570,973</b></u>	<u>7,972,648</u>
Net receipts/(payments)	(80,860)	(148,344)	<b>(229,204)</b>	193,998
Transfers between funds	50,316	(50,316)	-	-
Cash invested at 6 April 2020	151,986	296,096	<b>448,082</b>	254,084
	<u>151,986</u>	<u>296,096</u>	<u><b>448,082</b></u>	<u>254,084</u>
Cash invested at 5 April 2021	121,442	97,436	<b>218,878</b>	448,082
	<u>121,442</u>	<u>97,436</u>	<u><b>218,878</b></u>	<u>448,082</u>

These unaudited financial statements have been subjected to independent examination. See report on page 5.



# ERSKINE MUTON TRUST FUND

## STATEMENT OF ASSETS AND LIABILITIES AS AT 5 APRIL 2021

	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<b>Investments</b>				
UK equities	-	853,472	<b>853,472</b>	693,676
UK fixed interest securities	-	3,117,918	<b>3,117,918</b>	2,946,826
Overseas fixed interest securities	-	4,363,712	<b>4,363,712</b>	2,916,206
Overseas equities and unit trusts	-	68,680	<b>68,680</b>	32,427
Alternative investments	-	-	-	108,990
Other trust assets	-	1	<b>1</b>	1
Cash	121,442	97,436	<b>218,878</b>	448,082
<b>Total assets</b>	<u>121,442</u>	<u>8,501,219</u>	<u><b>8,622,661</b></u>	<u>7,146,208</u>
<b>Liabilities</b>				
Professional fees payable	<u>3,080</u>	<u>-</u>	<u><b>3,080</b></u>	<u>2,990</u>

Approved by the Trustee and authorised for issue on .....27/01/2022..... and signed on its behalf by:

*Andrea Mellish*  
.....  
HSBC Trust Company (UK) Limited

These unaudited financial statements have been subjected to independent examination. See report on page 5.

## ERSKINE MUTON TRUST FUND

### APPENDIX 1 BREAKDOWN OF CHARITABLE GRANTS

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Institutions	Number of Grants	Amount £
All Saints Church Swanage	1	4,000
Blandford St Mary	1	100,000
Charminster St Mary	1	20,000
Durweston St Nicholas	1	1,000
Highcliffe St Mark	1	10,000
Hilton All Saints	1	10,000
Holwell St Laurence	1	5,000
Holy Road Church Buckland Newton	1	15,000
Holy Trinity Bradpole PCC	1	2,000
Lillington St Martin	1	2,000
PCC affpuddle w turnerspudde	1	8,275
Shaftesbury St Peter	1	5,000
Shroton St Mary	1	8,000
The Church of Holy Rood	1	3,725
Toller Porcorum	1	35,000
Wimborne Minster	1	2,000
Winterborne Kingston St Nicholas	1	2,000
	<hr/> <b>17</b> <hr/>	<hr/> <b>233,000</b> <hr/>