

Charity Registration No. 1136180

THE CASTANEA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE CASTANEA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ian Forsyth Lee Duncan Geoffrey George Wall Mark Rupert Feeny
Charity number	1136180
Principal address	c/o Brabners LLP Horton House Exchange Flags Liverpool L2 3YL
Auditor	DSG Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL
Bankers	HSBC Bank plc 99-101 Lord Street Liverpool L2 6PG
Solicitors	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL
Investment advisors	Rathbones Port of Liverpool Building Pier Head Liverpool L3 1NW
Accountants	DSG Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL

THE CASTANEA TRUST

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THE CASTANEA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report and financial statements for the Year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts.

Objectives and activities

Charitable objects

The charitable trust's main objects are to improve the quality of life for ex-service personnel and their families and to improve the quality of life of children who are sick and to help their wishes come true and to reduce animal suffering and to support and care for older people.

Aims of charity

The aims of the charity are to apply, at the discretion of the trustees, grants to the charitable objects.

How achievement of aims furthers objects

The trustees, by making the proposed grants to the various organisations decided upon have been able to assist in the purposes outlined as the charitable objects.

Statement of compliance with Charity Commission guidance

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable trust should undertake. The trustees are satisfied that the information provided in the report and accounts meet the public benefit reporting requirements.

Charitable activities

The only operational activities undertaken for the year by the charitable trust is the operation of the investment portfolio to provide growth and income to fund its charitable grants. There are presently two motor vehicles which are currently held pending their certification, sale and re-investment. The trustees also hold a number of paintings in storage pending sale and reinvestment.

Grant making policy

The charitable trust is mainly involved in grant making in furtherance of the charitable trust's aims. Grants made during the year are recognised in the accounts in the period in which they are due and payable.

Achievements and performance

Review of the Charity's achievements

The trustees are happy that by applying their intended grants to the various charitable institutions that they have been able to fulfil their aims.

THE CASTANEA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Investment performance

Most of the charitable trust's capital is invested on the stock market, and throughout the year the total return of the portfolio fell within the trustees acceptable variance to the performance benchmark. Ongoing investment advice is provided by Rathbones in conjunction with the trustees.

The market value of the portfolio on the 5th April 2021 was £7,954,484 (2020: £5,079,585).

The Clerical Medical Group policy surrender value in April 2021 was £300,299 (2020: £153,162). On maturity, the value is likely to be in excess of the surrender value.

Land was transferred By Mr Duncan to the trust in 2018. The land is currently let out on an grazing agreement. The agent Meller Spreckman collect the rent from the land and manages the payment of the net rent to the the trustees.

Financial review

Review of financial position

The charitable trust's overall fund balances for the year total £11,831,545 compared with £9,873,406 for 2020.

After taking into consideration total net income and expenditure, net gains on investments, commitments to charitable donations and governance costs there was an overall increase in the net movement in funds of £2,072,139 compared to a decrease of £448,466 for 2020.

The trustees have also reviewed their grant making capability and are happy, going forward, that there will be sufficient income year on year to enable their financial commitments to be met.

The trustees consider their investments as expendable endowments, providing a relatively secure and predictable stream of income from which to make grants. The trustees aim to distribute a large percentage of the income, net of expenses, in each financial year and therefore do not maintain income reserves as such. However, any unrealised gains and the income levels on the investments held are continually reviewed by the trustees at their meetings to ensure that they have sufficient funds to meet their objectives.

Reserves policy

It is the policy of the charitable trust that unrestricted funds which are of a capital nature should be maintained as far as possible to achieve future growth whilst those funds of an income nature should be utilised as far as possible to meet the grant making activity. As such the trustees are happy that sufficient funds have been maintained to meet their charitable objectives during the year.

THE CASTANEA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Investment policy

The operation of the investment portfolio has been delegated to the investment managers with whom there is a discretionary management agreement.

The investment managers are required to avoid exposure to investments which are deemed to be unsuitable in the context of the charitable trust's objectives, when considering the portfolio as a whole. The investment manager is also to have regard to the need for diversification and the total amount invested in a direct equity investment should broadly not exceed 5% of the charitable trust's total investment portfolio at the time of purchase.

The Benchmark upon which the investment portfolio is measured is based upon the following:

MSCI WMA Balanced

The investment manager will provide regular reports which will include a statement confirming adherence to this policy or provide details of exceptions together with explanations. The report will also include a comparison of the portfolio return in relation to the benchmark. Major deviations will be examined and explained.

Risk management

The trustees have assessed the major risks to which the charitable trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees recognise the risk associated with investment in mainstream financial markets and accept this risk in return for the prospect of additional returns over longer periods of time. They wish to moderate the risk of deviation of returns relative to the chosen benchmark.

Plans for the future

The trustees are satisfied that their current policies are sufficient to meet their objectives and do not feel these will be amended in the foreseeable future. They will continue to review the position.

The two motor vehicles which the trustees hold are currently being actively marketed for sale. It is intended to reinvest the sale proceeds into mainstream investment markets. The works of art are currently in storage pending their removal and sale.

Structure, governance and management

Nature of the governing document and charity constitution

The charitable trust was established by a charitable trust deed dated 6th October 2009. A letter of wishes created by the settlor advises the trustees of the charitable objects who are to benefit under the terms of the charitable trust deed.

The trust was originally constituted by the introduction of a balance of cash and investments for the purposes of investment and the fulfilment of the charitable aims of the charity.

Trustees

The trustees who served during the Year and up to the date of signature of the financial statements were:

Ian Forsyth Lee Duncan

Geoffrey George Wall

Mark Rupert Feeny

THE CASTANEA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Recruitment and appointment of trustees

The trustees named in the original charitable trust deed are entitled to hold the office for life. Future trustees must be appointed for terms of office of 5 years by resolution of the existing trustees. A retiring trustee who is competent to act may be re-appointed at the end of the term of office.

Every future trustee must sign a declaration of willingness to act in that purpose before they are entitled to vote at trustees meetings.

The existing trustees when considering the appointment of future trustees will review the future requirements of the charitable trust and the professional experience required by new trustees.

Organisational structure

The trust is mainly a grant making charity run by a body of trustees who meet periodically and who review the policies and objectives of the charitable trust.

How decisions are made

The trustees liaise regularly amongst themselves and with their professional advisors to review the policies and objectives of the trust. The trustees act in accordance with the decisions made and the appropriate actions minuted.

Induction and training of trustees

Incoming trustees will be made aware of their responsibilities and the charitable trust's objectives by the existing trustees and their professional advisors at the date of appointment.

The trustees are kept up to date on relevant matters by their professional advisors.

Operational restrictions

There are no specific restrictions imposed on the trustees by the governing document concerning the way the charitable trust can operate.


Special investment powers

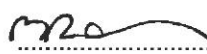
There are no specific restrictions on the trustees investment powers. The trustees have decided for the time being to impose restrictions of their own on the investment managers as listed in the investment policy.

Asset cover for funds

The trustees are satisfied there are sufficient assets to meet the charitable trust's obligations.

The trustees' report was approved by the Board of Trustees.


.....
Geoffrey George Wall
Trustee
Dated: 07/10/2021


.....
Mark Rupert Feeny
Trustee
Dated: 31/10/2021

THE CASTANEA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable trust and of the incoming resources and application of resources of the charitable trust for that Year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charitable trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CASTANEA TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CASTANEA TRUST

Opinion

We have audited the financial statements of The Castanea Trust (the 'charitable trust') for the Year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE CASTANEA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE CASTANEA TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable trust'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 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.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.


This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE CASTANEA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE CASTANEA TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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.


D S G

DSG Chartered Accountants

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Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

DSG Chartered Accountants is eligible for appointment as auditor of the charitable trust by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE CASTANEA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds General 2021 £	Unrestricted funds Capital 2021 £	Total 2021 £	Unrestricted funds General 2020 £	Unrestricted funds Capital 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Donations and legacies	3	-	100,000	100,000	-	350,000	350,000
Charitable activities	4	1,500	-	1,500	3,000	-	3,000
Investments	5	182,963	-	182,963	160,029	-	160,029
Other income	6	742	25,000	25,742	46	87,500	87,546
Total income		185,205	125,000	310,205	163,075	437,500	600,575
<u>Expenditure on:</u>							
Raising funds	7	-	26,366	26,366	-	30,195	30,195
Charitable activities	8	171,755	16,907	188,662	158,043	29,912	187,955
Total resources expended		171,755	43,273	215,028	158,043	60,107	218,150
Net gains/(losses) on investments	13	-	1,976,962	1,976,962	-	(830,891)	(830,891)
Net incoming/(outgoing) resources		13,450	2,058,689	2,072,139	5,031	(453,498)	(448,467)
<u>Other recognised gains and losses</u>							
Revaluation of Motor Vehicles		-	(114,000)	(114,000)	-	-	-
Net movement in funds		13,450	1,944,689	1,958,139	5,032	(453,498)	(448,467)
Fund balances at 6 April 2020		149,768	9,723,638	9,873,406	144,736	10,177,136	10,321,872
Fund balances at 5 April 2021		163,217	11,668,328	11,831,545	149,768	9,723,638	9,873,406

The statement of financial activities includes all gains and losses recognised in the Year.

All income and expenditure derive from continuing activities.


THE CASTANEA TRUST

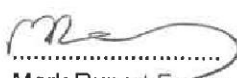
BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	3,045,000		3,159,000	
Investment properties	15	90,000		90,000	
Investments	16	7,954,484		5,079,585	
Clerical Medical Policy Bond		300,299		153,162	
		11,389,783		8,481,747	
Current assets					
Debtors	17	742		175,000	
Cash at bank and in hand		464,595		1,238,693	
		465,337		1,413,693	
Creditors: amounts falling due within one year	18	(23,575)		(22,034)	
Net current assets		441,762		1,391,659	
Total assets less current liabilities		11,831,545		9,873,406	
Income funds					
<u>Unrestricted funds - Capital</u>					
General fund		11,782,328		9,723,639	
Revaluation of motor vehicles		(114,000)		-	
		11,668,328		9,723,638	
Unrestricted funds - General		163,217		149,768	
		11,831,545		9,873,406	

The financial statements were approved by the Trustees on 7/10/2021


 Geoffrey George Wall
 Trustee


 Mark Rupert Feeny
 Trustee

THE CASTANEA TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(25,987)		177,329
Investing activities					
Purchase of investments		(1,866,740)		(1,897,661)	
Proceeds on disposal of investments		935,666		1,103,617	
Investment income received		182,963		160,029	
Net cash used in investing activities			(748,111)		(634,015)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(774,098)		(456,686)
Cash and cash equivalents at beginning of Year			1,238,693		1,695,378
Cash and cash equivalents at end of Year			464,595		1,238,692

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Castanea Trust is a charitable trust, and created by a trust deed dated 6th October 2009, which was registered as a charity on the 3rd June 2010, charity registration number 1136180,

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable trust'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 applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the required revaluation of financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable trust 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 charitable trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Assets for distribution are recognised only when distributed. Assets given for use by the charitable trust are recognised when receivable.

1.5 Expenditure

Expenditure, including grants made, is recognisable when and to the extent that the liability is incurred.

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The current tangible fixed assets are stated in the balance sheet at revalued amounts, being the fair value on the date of revaluation less any subsequent depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which could be determined using fair values at the reporting end date.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an asset's carrying amount as a result of revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	zero
Paintings	zero

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The motor vehicles and paintings held within the charitable trust have been donated to the trustees and are currently held pending sale.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price including transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year.

Fair value on fixed asset investments is measured as at the balance sheet date as follows:

- Listed securities at mid market value;
- Listed securities held in foreign currencies at mid market value and translated into their sterling equivalent at the accounting date;
- Government Securities at mid market value and do not include accrued interest.

Unrealised gains and losses are included on the statement of financial activities.

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charitable trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.10 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. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charitable trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable trust's balance sheet when the charitable trust becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

In the application of the charitable trust'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.

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Paintings Valuation

The paintings were originally the subject of a gift based on an historic insurance valuation. Subsequent to the completion of the 2018 accounts an fair market valuation of the paintings has been undertaken and the accounts now reflect the corrected value.

3 Donations and legacies

	Unrestricted funds Capital 2021 £	Unrestricted funds Capital 2020 £
Donations and gifts	100,000	350,000
Donations and gifts		
Cash Gift	100,000	350,000
	100,000	350,000

4 Charitable activities

	2021 £	2020 £
Rental income	1,500	3,000

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

5 Investments

	Unrestricted funds General 2021 £	Unrestricted funds General 2020 £
Income from listed investments	135,477	114,166
Income from unlisted investments	7,201	10,276
Overseas interest	12,936	7,700
Overseas dividends	27,031	26,764
Interest receivable	318	1,123
	<u>182,963</u>	<u>160,029</u>

6 Other income

	Unrestricted funds general 2021 £	Unrestricted funds Capital 2021 £	Total 2021 £	Unrestricted funds General 2020 £	Unrestricted funds Capital 2020 £	Total 2020 £
Gift Aid	-	25,000	25,000	-	87,500	87,500
HMRC	742	-	742	46	-	46
	<u>742</u>	<u>25,000</u>	<u>25,742</u>	<u>46</u>	<u>87,500</u>	<u>87,546</u>

7 Raising funds

	Unrestricted funds Capital 2021 £	Unrestricted funds Capital 2020 £
<u>Investment management</u>	26,366	30,195
	<u>26,366</u>	<u>30,195</u>

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

8 Charitable activities

	2021 £	2020 £
Motor vehicle insurance	1,314	1,294
Maintenance & preparation of motor vehicles for sale	2,714	2,139
Insurance - Storage of Art	3,353	-
Transportation costs	8,367	-
Meller Speakman fees	371	-
	<u>16,119</u>	<u>3,433</u>
Grant funding of activities (see note 9)	150,000	145,000
Share of support costs (see note 10)	-	(300)
Share of governance costs (see note 10)	22,543	39,822
	<u>188,662</u>	<u>187,955</u>
Analysis by fund		
Unrestricted funds - General	171,755	
Unrestricted funds - Capital	16,907	
	<u>188,662</u>	
For the Year ended 5 April 2020		
Unrestricted funds - General		158,043
Unrestricted funds - Capital		29,912
		<u>187,955</u>

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Greek Animal Welfare Fund	10,000	10,000
Independent Age	6,000	6,000
Blind Veterans UK	6,000	6,000
The Royal British Legion	6,000	6,000
Combat Stress	12,000	10,000
SSAFA	8,000	6,000
The Royal Star & Garter Homes	3,000	3,000
Starlight Children's Foundation	4,500	5,000
PDSA	8,500	6,000
Brooke Hospital for Animals	11,000	9,000
The Gurkha Welfare Trust	8,000	8,000
CCHF all About Kids	2,000	-
Parkinsons UK	5,000	5,000
ZANE	9,000	8,000
Addington Fund	3,000	4,000
St Luke's Cheshire Hospice	6,000	4,000
National Museums Liverpool	4,000	4,000
The Severn Hospice	5,000	3,000
Seafarers UK	2,000	3,000
ABF The Soldiers Charity	3,000	3,000
Dogs Trust, Shrewsbury	2,000	2,000
The Woodland Trust	2,000	4,000
Douglas Bader Foundation	1,000	1,000
STUBS	1,000	1,000
Animals Asia	2,000	2,000
Happy Landings Animal Shelter	-	1,000
The Not Forgotten Association	3,000	3,000
Wings For Warriors	2,000	3,000
Up N Away	1,000	1,000
Katherine House Hospice	3,000	2,000
Abbeyfield	500	1,000
MIND	1,000	1,000
Silver Line	2,000	2,000
Breakthrough	2,000	2,000
Nicodemos	1,000	2,000
3H Fund	1,500	2,000
St John the Baptist, Mildenhall	2,000	2,000
Outward Bound	-	3,000
Lifeworks	1,000	1,000
	<u>150,000</u>	<u>145,000</u>

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Trustees' expenses	-	-	-	(300)	-	(300)
Legal and professional	-	13,303	13,303	-	29,971	29,971
Audit costs	-	1,200	1,200	-	1,200	1,200
Accountancy fees	-	8,040	8,040	-	8,652	8,652
	<u>-</u>	<u>22,543</u>	<u>22,543</u>	<u>(300)</u>	<u>39,823</u>	<u>39,523</u>
Analysed between						
Charitable activities	<u>-</u>	<u>22,543</u>	<u>22,543</u>	<u>(300)</u>	<u>39,823</u>	<u>39,523</u>

Audit costs includes payments to the auditors of £1,200 (2020- £1,200).

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable trust during the Year. Mark Rupert Feeny one of the trustees is also a partner with Brabners LLP who charge for the legal and advisory services they provide to the charitable trust. During the year costs invoiced including VAT amounted to £13,303.20 (2020 £29,971).

12 Employees

There were no employees during the Year.

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

13 Net gains/(losses) on investments

	Unrestricted funds Capital 2021 £	Total 2020 £
Revaluation of investments	1,761,941	(853,596)
Gain/(loss) on sale of investments	67,884	22,599
Revaluation of CMG paid up whole of life policy	147,137	106
	<u>1,976,962</u>	<u>(830,891)</u>

14 Tangible fixed assets

	Motor vehicles £	Paintings £	Total £
At 6 April 2020	379,000	2,780,000	3,159,000
Revaluation	(114,000)	-	(114,000)
At 5 April 2021	<u>265,000</u>	<u>2,780,000</u>	<u>3,045,000</u>
Carrying amount			
At 5 April 2021	<u>265,000</u>	<u>2,780,000</u>	<u>3,045,000</u>
At 5 April 2020	<u>379,000</u>	<u>2,780,000</u>	<u>3,159,000</u>

15 Investment property

	2021 £
Fair value	
At 6 April 2020 and 5 April 2021	<u>90,000</u>

Investment property comprises land at Backford, Liverpool Road, Chester. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st March 2018 by Meller Speakman Chartered Surveyors, who are not connected with the charitable trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees do not consider the current market value to be significantly different from this valuation.

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 6 April 2020	5,079,585
Additions	1,866,740
Valuation changes	1,761,941
Profit/(loss on disposals)	67,884
Disposals	(821,666)
	<hr/>
At 5 April 2021	7,954,484
	<hr/>
Carrying amount	
At 05 April 2021	7,954,484
	<hr/>
At 05 April 2020	5,079,585
	<hr/>

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	742	175,000
	<hr/>	<hr/>

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	23,575	22,034
	<hr/>	<hr/>

THE CASTANEA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

19 Analysis of net assets between funds

	General 2021 £	Capital 2021 £	Total 2021 £	General 2020 £	Capital 2020 £	Total 2020 £
Fund balances at 5 April 2021 are represented by:						
Tangible assets	-	3,045,000	3,045,000	-	3,159,000	3,159,000
Investment properties	-	90,000	90,000	-	90,000	90,000
Investments	-	7,954,484	7,954,484	-	5,079,585	5,079,585
Clerical Medical Policy Bond	-	300,299	300,299	-	153,162	153,162
Current assets/(liabilities)	163,217	278,545	441,762	-	1,391,659	1,391,659
	<u>163,217</u>	<u>11,668,328</u>	<u>11,831,545</u>	<u>-</u>	<u>9,873,406</u>	<u>9,873,406</u>

20 Related party transactions

There were no disclosable related party transactions during the Year (2020 - none).

21 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the Year	2,072,139	(448,467)
Adjustments for:		
Investment income recognised in statement of financial activities	(182,963)	(160,029)
Gain on disposal of investments	(67,884)	(22,599)
Fair value gains and losses on investment bond	(147,137)	(106)
Fair value gains and losses on investments	(1,761,941)	853,596
Fair value gains and losses on motor vehicles	(114,000)	-
Movements in working capital:		
Decrease/(increase) in debtors	174,258	(50,000)
Increase in creditors	1,541	4,934
Cash (absorbed by)/generated from operations	<u>(25,987)</u>	<u>177,329</u>

22 Analysis of changes in net funds

The charitable trust had no debt during the year.

