

Charity registration number: 207110

The A F Wallace Charity Trust

Annual Report and Financial Statements

for the Year Ended 5 April 2021

The A F Wallace Charity Trust

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The A F Wallace Charity Trust
Reference and Administrative Details

Trustees

Mr G F Wallace

Mr R C Wallace

Mr F A Wallace

Charity Registration Number

207110

Principal Office

The Cedars
The Dene
Hurstbourne Tarrant
Andover
SP11 0AG

Independent Examiner

Buzzard's Accountancy Limited
Chartered Certified Accountants
95 Sinclair Avenue
Banbury
Oxon
OX16 1BQ

Bankers

Rathbones
Rathbones Investment Management
8 Finsbury Circus
London
EC2M 7AZ

The A F Wallace Charity Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2021.

Objectives and activities

Objects and aims

The charity's objects are widely drawn from the trust deed which states that the trustees stand possessed as to the principal and also as to the income for such charity or charities, charitable institutions, or other charitable objects or purposes as the trustees may think proper.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Public benefit

The trust furthers its charitable purposes for the public benefit through its grant making policy which falls under two headings:-

- the charity's main activity continues to be the lifetime provision of enhanced housing, welfare and pension facilities in Aberdeenshire for a number of senior citizens in the United Kingdom who have been associated for many years with the Wallace family and their associated business interests. The charity continues to provide retirement housing, rent and council tax free, plus a small stipend for a number of low income citizens.
- the charity also provides support out of its surplus income to such other charitable organisations and for such charitable purposes as the trustees see fit arising mainly out of approaches made to the charity.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grant making policies

The trust has established its grant making policy over a number of years in order to achieve its objects for the public benefit. The principal areas for support are stated above. The trustees review this policy regularly in order to adapt its application to any changing circumstances.

The A F Wallace Charity Trust

Trustees' Report

Financial review

The trust relies entirely on income from its investment portfolio to make payments. All expenditure over and above annual income must come from the unrestricted endowment fund, which excess must be repaid from income in future years.

The unrestricted income in the year was £34,267. A decrease of £6,905 on the previous year. At a time

when interest rates remain at a record low (despite mutterings of a small increase from the BoE in the months to come) and inflation rising, attempts to achieve a higher yield overall come with an increased risk, which the trustees are not prepared to undertake. The dividend cuts by many blue chip companies last year, some of which feature in the charity's investment portfolio, has put a squeeze on earnings.

Expenditure on charitable activities amounted to £35,810, a decrease of £25,686 on the previous year. The decrease in expenditure is mainly due to the reduction in property maintenance costs incurred on the properties occupied by the senior citizens assisted by the Trust along with a regrettable but necessary belt tightening of outgoings during the uncertain months of the pandemic-induced lockdown.

The expenditure in the current year exceeded income by £1,543, increasing the deficit carried forward to £35,252.

The endowment fund balance has recovered well in comparison to the previous years loss on investments of £186,561. At the reporting date the unrealised gains on the portfolio amounted to £215,350.

At a time of uncertainty and volatility in financial markets, the trustees have little leeway beyond supporting those most dependent upon the trust's resources. The trust has weathered various storms in the past and continues to stand the test of time since its foundation in 1911.

Policy on reserves

At the financial reporting date the unrestricted reserves are as noted above in deficit, the trustees have the power to apply the endowment fund for charitable purposes and will continue to do so for the foreseeable future. There is therefore currently no policy on retaining a fixed level of reserves.

Plans for future periods

Activities planned to achieve aims

The present strategy for the trust is to continue its activities in broadly the same manner that has been pursued by the trustees in recent years but the trustees are currently considering widening their future activities, which will allow more scope to support other charitable activities.

The A F Wallace Charity Trust

Trustees' Report

Structure, governance and management

Nature of governing document

The charity is registered with the Charity Commissioners for England and Wales under number 207110, and is constituted under a trust deed dated 25 August 1912.

Recruitment and appointment of trustees

The trustees are all members of the Wallace family

Arrangements for setting key management personnel remuneration

There are no employees of the charity which is run by the trustees, all of whom give their time freely and are not in receipt of any remuneration. The trustees do not as a rule seek reimbursement of any expenses they incur in connection with their duties.

Organisational structure

The management of the trust is the responsibility of the trustees and they are responsible for the appointment of new trustees when necessary and appropriate. The trustees are all aware of the requirements and responsibilities of being trustees of a charity and discuss the administration and investment management of the charity at regular quarterly meetings.

Major risks and management of those risks

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

The principal risks faced by the trust lie in the performance of its investment portfolio. This is monitored quarterly with the investment managers. With regard to other operational risks which the charity faces when making grants, the trustees continue to monitor any risks at their regular meetings.

The annual report was approved by the trustees of the charity on 8 December 2021 and signed on its behalf by:

Mr G F Wallace
Trustee

The A F Wallace Charity Trust

Independent Examiner's Report to the trustees of The A F Wallace Charity Trust

I report to the trustees on my examination of the accounts of The A F Wallace Charity Trust for the year ended 5 April 2021.

Responsibilities and basis of report

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

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

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 cause to believe that in any material respect:

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

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

Valerie Buzzard, FCCA
Buzzard's Accountancy Limited

95 Sinclair Avenue
Banbury
Oxon
OX16 1BQ

10 December 2021

The A F Wallace Charity Trust

Statement of Financial Activities for the Year Ended 5 April 2021

	Note	Unrestricted funds £	Endowment funds £	Total 2021 £
Income and Endowments from:				
Investment income	2	34,267	1,797	36,064
Total income		34,267	1,797	36,064
Expenditure on:				
Raising funds		-	(7,918)	(7,918)
Charitable activities		(35,810)	-	(35,810)
Total expenditure		(35,810)	(7,918)	(43,728)
Gains/losses on investment assets		-	222,140	222,140
Net (expenditure)/income		(1,543)	216,019	214,476
Net movement in funds		(1,543)	216,019	214,476
Reconciliation of funds				
Total funds brought forward		(33,709)	993,830	960,121
Total funds carried forward	14	(35,252)	1,209,849	1,174,597
	Note	Unrestricted funds £	Endowment funds £	Total 2020 £
Income and Endowments from:				
Investment income	2	41,172	-	41,172
Total income		41,172	-	41,172
Expenditure on:				
Raising funds		-	(8,749)	(8,749)
Charitable activities		(61,496)	-	(61,496)
Total expenditure		(61,496)	(8,749)	(70,245)
Gains/losses on investment assets		-	(186,561)	(186,561)
Net expenditure		(20,324)	(195,310)	(215,634)
Net movement in funds		(20,324)	(195,310)	(215,634)
Reconciliation of funds				
Total funds brought forward		(13,385)	1,189,140	1,175,755
Total funds carried forward	14	(33,709)	993,830	960,121

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 8 to 16 form an integral part of these financial statements.

The A F Wallace Charity Trust
(Registration number: 207110)
Balance Sheet as at 5 April 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	10	1,175,536	954,126
Current assets			
Cash at bank and in hand	11	5,398	11,645
Creditors: Amounts falling due within one year	12	(6,337)	(5,650)
Net current (liabilities)/assets		(939)	5,995
Net assets		1,174,597	960,121
Funds of the charity:			
Endowment funds		1,209,849	993,830
Unrestricted income funds			
Unrestricted funds		(35,252)	(33,709)
Total funds	14	1,174,597	960,121

The financial statements on pages 6 to 16 were approved by the trustees, and authorised for issue on 8 December 2021 and signed on their behalf by:

Mr G F Wallace
Trustee

Mr R C Wallace
Trustee

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

1 Accounting policies

Charity information

The A F Wallace Charity Trust is an unincorporated charity registered with The Charity Commission in England and Wales. The principal address of the charity is The Cedars, The Dene, Hurstbourne Tarrant, Andover, SP11 0AG.

Statement of compliance

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK 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 give a "true and fair" view. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in the UK and Republic of Ireland (FRS102) issued in October 2019 rather than Accounting and Reporting by Charities: Statements of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Basis of preparation

The A F Wallace Charity Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Exemption from preparing a cash flow statement

The charity has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a statement of cash flows.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Investment income

All income of the charity is derived from investments and recognised at the point of receipt based on the information received from the investment manager.

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

Expenditure

All expenditure is accounted for on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Expenditure on charitable activities is charged in the year when the offer is confirmed to the recipient except those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but are not accrued as expenditure.

Governance costs included within expenditure on charitable activities comprise costs for the running of the charity itself as an organisation and are recognised when the obligation for payment has been incurred.

Taxation

The charity does not have any trading activities and is not subject to taxation.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Expendable endowments funds give the trustees the power to expend capital at their discretion. They are not committed by the trust deed to maintain capital.

Classification

The charity only has financial assets and 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.

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

2 Investment income

	Unrestricted funds General £	Endowment funds Expendable £	Total 2021 £
Other income from fixed asset investments	34,267	1,797	36,064
	34,267	1,797	36,064

	Unrestricted funds General £	Total 2020 £
Other income from fixed asset investments	41,172	41,172
	41,172	41,172

3 Expenditure on raising funds

a) Investment management costs

	Note	Endowment funds Expendable £	Total 2021 £
Other investment management costs; Amounts payable to investment managers		7,918	7,918
		7,918	7,918
	Note	Endowment funds Expendable £	Total 2020 £
Other investment management costs; Amounts payable to investment managers		8,749	8,749
		8,749	8,749

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

4 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2021 £
Grant funding of activities		32,310	32,310
Governance costs		3,500	3,500
		<u>35,810</u>	<u>35,810</u>

	Note	Unrestricted funds General £	Total 2020 £
Grant funding of activities		57,996	57,996
Governance costs		3,500	3,500
		<u>61,496</u>	<u>61,496</u>

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

5 Analysis of governance and support costs

Governance costs include Independent Examiners fees of £1,450 (2020: £1,450).

6 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2021	2020	2021	2020
	£	£	£	£
Analysis				
Grants to institutions (3 grants - 2020: 13)	400	5,650	31,910	52,346
The support costs associated with grant-making are £Nil (2020: £Nil).				

Grants to individuals (5, 2020: 5)

Assistance for senior citizens in the Upper Donside area of West Aberdeenshire £8,131 (2020 £7,984). This comprised of direct payments to individuals of £20,822 (2020: £41,495). Assistance for the widows of former employees of The BBTC Ltd £2,307 (2020: £2,267).

Other grants to individuals in the year totalled £650 (2020: £600).

There were no conditional grants outstanding at the current or previous year end.

Below are details of material grants made to institutions.

Name of institution	Activity	2021 £	2020 £
The Suffolk Preservation Society	General	-	2,200
Upper Donside Parish Church	General	-	750
Other registered charities and charitable institutions	General	400	2,700
		400	5,650

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	Endowment funds	
	2021	2020
	£	£
Revaluation of investments	215,350	(187,589)
Gain on sale of investments	6,790	1,028
	<u>222,140</u>	<u>(186,561)</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

10 Fixed asset investments

Other investments

	Listed investments £	Cash in portfolio £	Total £
Cost or Valuation			
At 6 April 2020	881,417	72,709	954,126
Revaluation	215,350	-	215,350
Additions	38,144	(9,729)	28,415
Disposals	(41,946)	19,591	(22,355)
At 5 April 2021	1,092,965	82,571	1,175,536
Net book value			
At 5 April 2021	1,092,965	82,571	1,175,536
At 5 April 2020	881,417	72,709	954,126

Listed investments are stated at market value as at the balance sheet date and are valued by the investment manager.

11 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	5,398	11,645

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	6,337	5,650

13 Commitments

The rent paid by the charity for property provided to qualifying senior citizens is not subject to a fixed lease term and is only payable during the lifetime of the tenants. The charity therefore does not have an operating lease commitment.

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

14 Funds

	Balance at 6 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losse s) £	Balance at 5 April 2021 £
Unrestricted funds					
General	(33,709)	34,267	(35,810)	-	(35,252)
Endowment funds					
Expendable	993,830	1,797	(7,918)	222,140	1,209,849
Total funds	960,121	36,064	(43,728)	222,140	1,174,597

	Balance at 6 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losse s) £	Balance at 5 April 2020 £
Unrestricted funds					
General	(13,385)	41,172	(61,496)	-	(33,709)
Endowment funds					
Expendable	1,189,140	-	(8,749)	(186,561)	993,830
Total funds	1,175,755	41,172	(70,245)	(186,561)	960,121

The specific purposes for which the funds are to be applied are as follows:

Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

The A F Wallace Charity Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

15 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Expendable £	Total funds at 5 April 2021 £
Fixed asset investments	(36,463)	1,211,999	1,175,536
Current assets	5,398	-	5,398
Current liabilities	(4,187)	(2,150)	(6,337)
Total net assets	(35,252)	1,209,849	1,174,597
	Unrestricted funds General £	Endowment funds Expendable £	Total funds at 5 April 2020 £
Fixed asset investments	(41,854)	995,980	954,126
Current assets	11,645	-	11,645
Current liabilities	(3,500)	(2,150)	(5,650)
Total net assets	(33,709)	993,830	960,121