

INVERFORTH CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

**Registered Charity
Number 274132**

INVERFORTH CHARITABLE TRUST

I N D E X

Year ended 31 December 2023

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INVERFORTH CHARITABLE TRUST

TRUSTEES' REPORT

Year ended 31 December 2023

The Trustees present their Report and the Financial Statements for The Inverforth Charitable Trust (ICT) for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 below and comply with the Charity's Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and reporting Charities" preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (SORP FRS 102) (effective 1 January 2019).

Structure, governance and management

The Trust is a grant-making charity, constituted under a Trust Deed dated 14 July 1977, and is a registered charity number 274132. The Trust was established by an initial gift by the second Lord Inverforth of 10% of the Inverforth family company, Andrew Weir & Company Limited, for general charitable purposes within the absolute discretion of the Trustees. Substantial dividends paid around 1990 and their accompanying tax credits were capitalised and invested in a portfolio of quoted shares: subsequent events have raised the shareholding in Andrew Weir & Company Limited to 15%.

The Trustees who have served during the year and since the year end are set out on page 3. The power of appointing new Trustees lies with the present Trustees, in accordance with the original Trust Deed and section s.36(1) of the Trustee Act 1925.

The Hon Mrs Clarinda Kane acted as Secretary and Treasurer for 2023. The administration of grants and of legal and other matters is carried out by her. The books of the Trust are kept by the accountants.

Risk management

The Trustees consider that the principal risk facing the Trust continues to be the variability of investment returns from the Trust's investments, including dividends paid by Andrew Weir & Company Limited. The Trustees have examined the major strategic, business and operational risks which the Trust faces and confirm that appropriate measures have been taken to protect it from them as far as possible.

Objectives and activities

The Trust makes charitable donations within the absolute discretion of the Trustees, as laid down by the Trust Deed. The Trustees selected thirteen charities in 2023 (2022 - twenty) for donations.

Achievements and performance

The Trust made donations of £160,000 in 2023 (2022 - £197,000). Grants made can be categorised as follows:

	2023 %	2023 No. of grants	2022 %	2022 No. of grants
Military	-	-	5	1
Physical and Mental Health	19	3	33	5
Heritage and Restoration	6	1	-	-
Hospices	16	2	10	2
Youth and Education	12	2	18	5
Arts	6	1	6	2
Community	41	4	28	5
		<u>13</u>		<u>20</u>

Only registered charities received donations.

INVERFORTH CHARITABLE TRUST

TRUSTEES' REPORT (cont'd)

Year ended 31 December 2023

Financial review and investment policy

The Trustees report a net income deficit of £126,687 in 2023 (2022 - £136,608) after receiving income from investments and bank interest of £37,300 (2022 - £64,207) and making net donations and incurring administration costs of £163,987 (2022 - £200,815). After net realised and unrealised gains on investment assets, the net increase in funds was £7,774,350 (2022 – net gain £2,063,981) resulting in total Trust funds of £17,348,390 (2022 - £9,574,040). The value of the unlisted investments represents the Trust's share of net assets in Andrew Weir & Company Limited at 31 December 2023.

The investment portfolio is actively managed by the Investment Advisers. A diverse mix of assets is maintained in order to protect the charity funds against current market conditions and company specific risks.

The Trust continues to take a long view and its assets are primarily invested in securities.

Reserves policy

The Trust has power to distribute capital and income. In the past, the Trustees have made full distributions of income together with part of the capital appreciation. For the future, the Trustees will distribute the estimated net annual income to the selected charities, after expenses. Capital is defined as the fixed asset investments and cash held by the investment managers less current liabilities.

Public benefit

The Trustees having regard to the public benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same act.

Reference and administrative details

Trustees:	The Rt. Hon Elizabeth Lady Inverforth The Rt. Hon Andrew Lord Inverforth The Hon Mrs Clarinda Kane
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Secretary and Treasurer:	The Hon Mrs Clarinda Kane
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Registered office of the Charity:	58a Flood Street London SW3 5TE
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Bankers:	Ruffer LLP 80 Victoria Street London SW1E 5JL Coutts & Co 440 Strand London WC2R 0QS
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INVERFORTH CHARITABLE TRUST

T R U S T E E S ' R E P O R T (c o n t ' d)

Year ended 31 December 2023

Reference and administrative details (continued)

Independent Examiner: G P Smye-Rumsby FCA
Dixon Wilson
22 Chancery Lane
London
WC2A 1LS

Investment Advisers: Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Solicitors: Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Approved and signed on behalf of the board of Trustees on 2024.

THE HON MRS CLARINDA KANE
Trustee, Secretary and Treasurer

INVERFORTH CHARITABLE TRUST

I N D E P E N D E N T E X A M I N E R ' S R E P O R T

Year ended 31 December 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE INVERFORTH CHARITABLE TRUST

I report on the accounts of the charity for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are satisfied that an audit is not required for this year under charity law and that an independent examination is needed.

I report in respect of my examination of the 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. Dixon Wilson, a firm of Chartered Accountants of which I am a partner has provided bookkeeping services to the Trust and I have applied the FRC's Revised Ethical Standard in carrying out my examination.

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 accounts. 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 accounts 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 am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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 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 applicable 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no 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.

G P SMYE-RUMSBY FCA
Dixon Wilson Chartered Accountants
22 Chancery Lane
London
WC2A 1LS

2024

INVERFORTH CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2023

	Note	Unrestricted income fund £	Expendable endowment fund £	2023 £	2022 £
Income and endowments from:					
Investment income:					
Income from listed investments	2	31,063	-	31,063	63,336
Interest income	3	6,237	-	6,237	871
Total income and endowments		<u>37,300</u>	<u>-</u>	<u>37,300</u>	<u>64,207</u>
Expenditure on:					
Charitable activities:					
Grants made	4	(160,000)	-	(160,000)	(197,000)
Governance costs	5	(3,987)	-	(3,987)	(3,815)
Total expenditure		<u>(163,987)</u>	<u>-</u>	<u>(163,987)</u>	<u>(200,815)</u>
Net gain / (loss) on investments	6	-	7,899,205	7,899,205	2,193,503
Foreign Currency Gains	6	-	1,832	1,832	7,086
Net (expenditure)/income		<u>(126,687)</u>	<u>7,901,037</u>	<u>7,774,350</u>	<u>2,063,981</u>
Transfers between funds		<u>126,687</u>	<u>(126,687)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>-</u>	<u>7,774,350</u>	<u>7,774,350</u>	<u>2,063,981</u>
Reconciliation of funds					
Fund balance brought forward at 1 January 2023 -		<u>9,574,040</u>	<u>9,574,040</u>	<u>7,510,059</u>	
Fund balance carried forward at 31 December 2023 (page 7)		<u>-</u>	<u>17,348,390</u>	<u>17,348,390</u>	<u>9,574,040</u>

The notes on pages 8 to 12 form part of these financial statements.

All amounts are attributable to continuing operations.

The Charity has no recognised gains and losses other than as stated above.

INVERFORTH CHARITABLE TRUST

B A L A N C E S H E E T

At 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	6	16,874,253	9,256,107
Current assets			
Cash at bank and in hand		477,739	321,243
Current liabilities			
Creditors: amounts falling due within one year	7	(3,602)	(3,310)
Net current assets		474,137	317,933
Total net assets		17,348,390	9,574,040
 The funds of the Trust			
Expendable endowment fund (page 6)	8	17,348,390	9,574,040
Total Trust funds		17,348,390	9,574,040

The financial statements on pages 6 to 12 were approved by the Trustees on
were signed on their behalf by:

2024 and

THE RT HON ELIZABETH LADY INVERFORTH
Member of the Board of Trustees

THE RT HON ANDREW LORD INVERFORTH
Member of the Board of Trustees

THE HON MRS CLARINDA KANE
Member of the Board of Trustees

The notes on pages 8 to 12 form part of these financial statements.

INVERFORTH CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and reporting Charities" in preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP FRS 102) (effective 1 January 2019) and the Charities Act 2011. The particular accounting policies adopted are described below.

The Trust constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in Sterling which is the financial currency of the Trust and rounded to the nearest £.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments to market value.

Cash flow

The financial statements do not include a cash flow statement because the Trust, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102.

Income

Investment income is credited to the Income account when receivable. Dividends are recognised where the Trustees are entitled to receive payment. Investment gains and losses include any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the year end.

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS 102 or SORP FRS 102.

Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Trust to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, and is inclusive of irrecoverable VAT.

Grants payable

All grants are decided with reference to the Trust's policy at an annual meeting of the Trustees and are included in the period in which the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Direct charitable expenditure

Direct charitable expenditure includes all expenditure incurred in pursuance of the Trust's objective and relate to grants made under the Trust's criteria.

INVERFORTH CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. Accounting policies (continued)

Governance costs

All expenditure incurred in respect of governance is included under that heading in the Statement of Financial Activities.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in currencies other than sterling are translated at the rate of exchange ruling at the balance sheet date.

Fund accounting policy

The Trust comprises of an unrestricted income fund and an expendable endowment fund. Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Trust. Expendable endowment funds are capital funds that are held to facilitate the maintenance and growth of the Trust and may be freely converted into spendable income as the Trustees see fit.

Assets

Fixed asset investments in quoted shares, traded bonds and similar investments are initially recognised at transaction price and subsequently measured at fair value.

Unlisted investments are included at the Trustees' best estimate of market value, based on a share of the underlying net assets of the unlisted company.

2. Income from listed investments

	Unrestricted income fund £	Expendable endowment fund £	Total 2023 £	Unrestricted income fund £	Expendable endowment fund £	Total 2022 £
Dividends received	19,960	-	19,960	29,846	-	29,846
Fixed interest received	11,103	-	11,103	33,490	-	33,490
	<u>31,063</u>	<u>-</u>	<u>31,063</u>	<u>63,336</u>	<u>-</u>	<u>63,336</u>

3. Interest income

	Unrestricted income fund £	Expendable endowment fund £	Total 2023 £	Unrestricted income fund £	Expendable endowment fund £	Total 2022 £
Interest income	<u>6,237</u>	<u>-</u>	<u>6,237</u>	<u>871</u>	<u>-</u>	<u>871</u>

INVERFORTH CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Grants made

The Trust undertakes its charitable activities through grant making and awards grants to institutions in furtherance of its charitable objectives.

	Unrestricted income fund £	Expendable endowment fund £	Total 2023 £	Unrestricted income fund £	Expendable endowment fund £	Total 2022 £
Grants made	160,000	-	160,000	197,000	-	197,000
					2023 £	2022 £
Allegra's Ambition					10,000	10,000
Art Fund					10,000	10,000
Asthma and Lung UK					10,000	10,000
British Red Cross					-	20,000
Carers UK					10,000	-
Childhood First					10,000	10,000
EmbraceMe Foundation					-	15,000
Essex Community Foundation					-	10,000
Friends of the Royal Marsden Chelsea					10,000	10,000
Help the Homeless					-	10,000
Heritage Housing Caring Group					5,000	-
Historic Royal Palaces					10,000	-
Hospice UK					10,000	10,000
Imperial College					-	5,000
Living Paintings					-	1,000
NSPCC West Norfolk					-	5,000
Royal Trinity Hospice					15,000	10,000
St Minver Community Hub					40,000	20,000
St Mungo's					10,000	10,000
Supporting Wounded Veterans					-	10,000
The Honeypot Children's Charity					-	6,000
Wellbeing of Women					10,000	10,000
Whitechapel Mission					-	5,000
					160,000	197,000

INVERFORTH CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5. Governance costs

	Unrestricted income fund £	Expendable endowment fund £	Total 2023 £	Unrestricted income fund £	Expendable endowment fund £	Total 2022 £
Accountancy fees	3,601	-	3,601	3,310	-	3,310
Banking fees and Charges	386	-	386	505	-	505
	<u>3,987</u>	<u>-</u>	<u>3,987</u>	<u>3,815</u>	<u>-</u>	<u>3,815</u>

Accountancy fees payable to the independent examiner's firm as follows:

	2023 £	2022 £
- Examination	1,000	1,000
- Accountancy	2,601	2,310
	<u>3,601</u>	<u>3,310</u>

6. Investments

	Unlisted £	Listed £	2023 £	2022 £
At 1 January 2023	4,915,050	4,341,057	9,256,107	7,310,471
Additions at cost	-	3,023,958	3,023,958	3,548,104
Disposal proceeds	-	(3,305,017)	(3,305,017)	(3,795,971)
Net realised and unrealised gains	8,212,350	(313,145)	7,899,205	2,193,503
Market value at 31 December 2023	<u>13,127,400</u>	<u>3,746,853</u>	<u>16,874,253</u>	<u>9,256,107</u>
Historical cost at 31 December 2023	<u>1,456,385</u>	<u>3,809,462</u>	<u>5,265,847</u>	<u>5,346,396</u>

	2023 £	2022 £
The investments listed on a recognised stock exchange are analysed as follows:		
UK fixed interest and index linked	587,661	971,103
UK equities and unit trusts	186,083	138,162
Overseas fixed interest	1,430,360	1,344,268
Overseas equities and unit trusts	412,486	347,911
Other listed investments	851,860	1,092,234
Credit and illiquid strategies	278,403	447,379
	<u>3,746,853</u>	<u>4,341,057</u>

Additionally, £215,272 (2022 - £181,253) of cash is held within the investment portfolio and classified within current assets.

Foreign currency gains of £1,832 (2022 - £7,086) arose on foreign currency cash balances and cash transactions held in the investment portfolio.

Unlisted investments relate solely to 300,000 Andrew Weir & Company Limited £1 ordinary shares, which had an acquisition cost of £1,456,385. The market value of £13,127,400 represents the share of net assets of the group at 31 December 2023 (£4,915,050 at 31 December 2022).

INVERFORTH CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7. Creditors: amounts falling due within one year	2023 £	2022 £
Professional fees in relation to governance costs and other accountancy work	3,602	3,310

8. Analysis of total net assets between funds	Unrestricted income fund £	Expendable endowment fund £	Total 2023 £
Fixed assets			
Investments	-	16,874,253	16,874,253
Current assets			
Cash at bank	3,602	474,137	477,739
Current liabilities			
Creditors: amounts falling due within one year	(3,602)	-	(3,602)
	-	17,348,390	17,348,390

9. Unrestricted funds	Funds brought forward £	Incoming resources £	Outgoing resources £	Net gain/(loss) on investments £	Transfers between funds £	Funds carried forward £
Expendable endowment fund	9,574,040	1,832	-	7,899,205	(126,687)	17,348,390
Unrestricted income fund	-	37,300	(163,987)	-	126,687	-
	9,574,040	39,132	(163,987)	7,899,205	-	17,348,390

10. Trustees' remuneration and expenses

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind.

11. Employees

The Trust did not have any employees during the period (2022 – nil).

12. Financial instruments	2023 £	2022 £
Financial assets measured at fair value through income and expenditure	16,874,253	9,256,107

Financial assets measured at fair value through income and expenditure comprise fixed asset investments.