

Charity Registration No. 278584

**THE DUKE OF NORTHUMBERLAND'S CHARITY
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

THE DUKE OF NORTHUMBERLAND'S CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Duke of Northumberland Lord James Percy
Charity number	278584
Principal address	9 New Square Lincoln's Inn London WC2A 3QN
Independent examiner	RSM UK Tax and Accounting Limited Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	Barclays Bank plc 29 Bondgate Within Alnwick NE66 1TF C Hoare & Co 37 Fleet Street London EC4P 4DQ
Solicitors	Hunters, incorporating May, May & Merrimans 9 New Square Lincolns Inn London WC2A 3QN
Investment advisors	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU United Kingdom

THE DUKE OF NORTHUMBERLAND'S CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021. The charity number is 278584 and the principal address is 9 New Square, Lincoln's Inn, London, WC2A 3QN.

Structure, governance and management

The trust was founded by The 10th Duke of Northumberland deceased. The charity is governed by the trust deed dated 17 August 1979. The charity is governed by the trustees. The power of appointing new trustees is vested in the "designated person". The 10th Duke of Northumberland was the designated person during his lifetime, and this title is currently held by The 12th Duke of Northumberland. Should a designated person die without having appointed a successor, then the trustees can appoint another person to be the designated person.

The trustees who served during the year were:

The Duke of Northumberland

Lord James Percy

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the the trust's governing document, 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).

Objectives and activities

The income of the trust is applied by making such subscriptions to charitable organisations and bodies and such other applications for charitable purposes as the designated person directs. The trustees can also (with the consent of the designated person) pay or transfer all or part of the capital to charitable organisations. The trustees confirm that they have given careful consideration to the Charity's Commission's general guidance on public benefit when carrying out these objectives.

Achievements and performance

Note 16 to the accounts shows how the assets and liabilities are attributable to the two funds.

The unrestricted fund represents the free reserves available to the charity to fulfil its primary objectives as well as cover its operational costs and the trustees monitor the level of free reserves available. The balance held at the year end was £30,560 (2020: £42,414).

The Charity's incoming resources are the receipts of agricultural and other rents, income from quoted investments and interest. Income during the year amounted to £201,205 (2020: £123,137). Charitable donations out of income totalled £187,573 (2020: £157,624), the largest donations being £50,000 to Newcastle University, £20,000 to Renewable Energy Foundation, £18,000 to Playhouse and £10,000 to Atlantic Salmon Trust. The performance of the unrestricted fund was in accordance with budget and the expectations of the trustees.

Note 15 also describes the origin of the expendable endowment fund. The expendable endowment fund essentially holds all the fixed asset investments. The balance held at the year end was £6,413,176 (2020: £5,713,642).

Total realised and unrealised gains on listed investments during the year amounted to a profit of £699,534 (2020: loss of £274,938).

THE DUKE OF NORTHUMBERLAND'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Investing powers

The trustees have the same full and unrestricted powers of investing and transposing investments and dealing with trust monies and buying and selling property in all respects as if they were absolutely entitled thereto beneficially. The trustees have adopted, by way of an investment benchmark, the WM Total Charity Universe.

The trustees continue to make use of the scheme agreed with the Charity Commission to extend their powers to enable them to delegate investment making decisions and make use of the nominees for share registration purposes.

Risk management

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

Going concern

The trustees have considered the charity's current and future prospects and its availability of financing from its ultimate group undertaking and are satisfied that the charity can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, the trustees continue to adopt the going concern basis of preparation for these financial statements.

Statement of trustees' responsibilities

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).

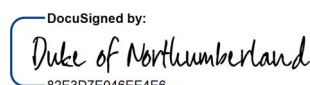
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the the trust and of the incoming resources and application of resources of the the trust for that year.

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 the 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 the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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The Duke of Northumberland

Trustee 12/9/2021

Dated:

THE DUKE OF NORTHUMBERLAND'S CHARITY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE DUKE OF NORTHUMBERLAND'S CHARITY

I report to the trustees on my examination of the accounts of the trust for the year ended 31 March 2020, which are set out on pages 4 to 13.

Responsibilities and basis of report

As the trustees of the trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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 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 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 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 trust as required by section 130 of the 2011 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.

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.

Signed: 
Name: Claire Leece
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Name of applicable listed body:

Relevant professional qualification or membership of professional body:

On behalf of RSM UK Tax and Accounting Limited

ICAEW
1 St. James' Gate
Newcastle upon Tyne
United Kingdom
NE1 4AD

12/14/2021

Dated:

THE DUKE OF NORTHUMBERLAND'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	2	23,139	-	23,139	-
Investments	3	178,066	-	178,066	123,137
Total income		201,205	-	201,205	123,137
<u>Expenditure on:</u>					
Raising funds	4	19,835	-	19,835	30,219
Charitable activities	5	187,573	-	187,573	157,624
Support costs	7	5,651	-	5,651	8,373
Total resources expended		213,059	-	213,059	196,216
Net gains/(losses) on investments	10	-	699,534	699,534	(274,938)
Net movement in funds		(11,854)	699,534	687,680	(348,017)
Total funds brought forward		42,414	5,713,642	5,756,056	6,104,073
Total funds carried forward		30,560	6,413,176	6,443,736	5,756,056

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

All income and expenditure derive from continuing activities.

THE DUKE OF NORTHUMBERLAND'S CHARITY

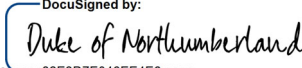
Charity no. 278584

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	11	76,210		76,210	
Investments	12	6,090,377		5,405,380	
		6,166,587		5,481,590	
Current assets					
Debtors	13	635		520	
Cash at bank and in hand		325,666		306,540	
		326,301		307,060	
Creditors: amounts falling due within one year	14	(49,152)		(32,594)	
Net current assets		277,149		274,466	
Total assets less current liabilities		6,443,736		5,756,056	
The funds of the charity:					
Endowment funds	16	6,413,176		5,713,642	
Unrestricted funds	16	30,560		42,414	
		6,443,736		5,756,056	

The financial statements on pages 4 to 13 were approved by the Board of Trustees on and signed on their behalf by:

DocuSigned by:

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The Duke of Northumberland
 Trustee

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Duke of Northumberland's Charity is an unincorporated Charity registered in England.

Accounting convention

The financial statements have been prepared in accordance with the the trust's governing document, 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 the trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

Going concern

These financial statements are prepared on the going concern basis. The trustees are confident that the Charity will continue in operational existence for the foreseeable future. However, the trustees are aware of uncertainties in relation the current coronavirus pandemic. The trustees are confident that the Charity has sufficient resources available to continue trading through this period and for at least the next twelve months.

Charitable funds

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

The Exendable Endowment Fund contains all fixed asset investments. Investment income arising from the Endowment Fund is unrestricted. Further information relating to this fund is provided in note 16.

Incoming resources

Income is recognised when the the 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.

All investment income is recognised when the dividend becomes payable. Likewise, rental income and other donations are accounted for in the year in which it is receivable.

Resources expended

Cost of generating funds includes direct property expenses, investment management fees, other professional fees and some sundry expenditure. Support costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and are detailed in note 7.

Donations are accounted for as soon as there is a contractive obligation committing the charity to the expenditure.

Realised and unrealised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchase date if later).

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding 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. Transaction costs are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The the 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 the trust's balance sheet when the the trust becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade debtors, other 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 other creditors 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.

2 Donations and legacies

	2021	2020
	£	£
Donations and gifts	23,139	-
	<u> </u>	<u> </u>

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Investment income

	2021 £	2020 £
Rental income	8,908	2,553
Income from listed investments	49,158	120,250
Income from unlisted investments	120,000	-
Interest received on cash deposits	-	334
	<u>178,066</u>	<u>123,137</u>

4 Raising funds

	2021 £	2020 £
Property expenses	681	2,034
Bank charges	24	32
Brokers fee	19,130	28,153
	<u>19,835</u>	<u>30,219</u>

5 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 6)	<u>187,573</u>	<u>157,624</u>

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
Scottish Land & Estates	-	5,000
Hurtwood Control	4,500	4,250
Red Squirrel Trust	7,500	2,500
Country trust	2,500	2,500
Atlantic Salmon Trust	10,000	10,000
Renewable Energy Foundation	20,000	10,000
Tyne River Trust	-	1,100
Alnwick Playhouse	18,000	5,000
Game & Wildlife Conservation Trust	5,000	5,000
St Pauls PCC	2,500	5,000
Northumbria Police	-	25,000
Newcastle University	50,000	50,000
Northumberland County Council	-	2,000
Creighton Memorial Hall	-	1,318
Durham County Cricket Club	-	1,000
Howick Village Hall Trust	-	1,056
North Northumberland Hospice Care	7,004	1,000
The Remembrance Trust	1,000	1,000
CSR donation	5,000	-
Laptops	6,000	-
Alice House Hospice	3,000	-
Community Action Northumberland	12,000	-
Daft as a Brush Cancer Care	3,920	-
Campbell Rowntree	1,000	-
Ellingham Village Hall	1,000	-
Hindmarsh Hall	1,000	-
Housnlow Community Foodbox	3,000	-
NE Youth Ltd	5,000	-
Need Ltd	1,000	-
Netherwitton Village Hall	1,000	-
Northumberland Pride	1,000	-
Prudhoe Parochial Church Council	1,000	-
Scottish Moorland Group	5,000	-
Seahouses Development Trust	2,482	-
St James' Church	1,000	-
Donations less than £1,000 paid to 24 (2020: 60) charitable institutions	6,167	24,900
	<u>187,573</u>	<u>157,624</u>

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Support costs

	2021 £	2020 £
Legal and professional fees	371	3,093
Accountancy fees:		
Independent examination	3,300	3,300
Other services	1,980	1,980
	<u>5,651</u>	<u>8,373</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	806,089	(262,409)
Gain/(loss) on sale of investments	(106,555)	(12,529)
	<u>699,534</u>	<u>(274,938)</u>

11 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	<u>76,210</u>

Investment property comprises land at Prudhoe Broomhouse, Baliffgate Museum Site, the one-third share of allotment land at Park Road Syon and other land in Prudhoe. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2021 by the trustees.

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 31 March 2021	3,109,042	2,296,338	5,405,380
Valuation changes	684,997	-	684,997
At 31 March 2021	3,794,039	2,296,338	6,090,377
Carrying amount			
At 31 March 2021	3,794,039	2,296,338	6,090,377
At 31 March 2020	3,109,042	2,296,338	5,405,380

	2021 £	2020 £
Investments at fair value comprise:		
Equities	-	1,956,203
Bonds	-	539,456
Multi-asset funds	3,794,039	118,958
Alternatives	-	494,353
Other	2,296,338	2,296,338
	6,090,377	5,405,308

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	635	520

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	43,872	27,314
Accruals	5,280	5,280
	49,152	32,594

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Analysis of charitable funds

	Balance at 1 April 2020	Movement in funds		Transfers, Balance at 31 March gains and losses 2021
	£	Incoming resources £	Resources expended £	£
Unrestricted funds				
General	42,414	201,205	(213,059)	- 30,560
Endowment funds				
Expendable fund	5,713,642	-	-	699,534 6,413,176
	<u>5,756,056</u>	<u>201,205</u>	<u>(213,059)</u>	<u>699,534 6,443,736</u>

	Balance at 1 April 2019	Movement in funds		Transfers, Balance at 31 March gains and losses 2020
	£	Incoming resources £	Resources expended £	£
Unrestricted funds				
General	115,493	123,137	(196,216)	- 42,414
Endowment funds				
Expendable fund	5,988,580	-	-	(274,938) 5,713,642
	<u>6,104,073</u>	<u>123,137</u>	<u>(196,216)</u>	<u>(274,938) 5,756,056</u>

General funds - 'free reserves'.

Endowment funds - comprises of land at Prudhoe Broom house, Baliffgate Museum Site, the one-third share of allotment land at Park Road Syon, referred to above, other land in Prudhoe and quoted and unquoted investments.

THE DUKE OF NORTHUMBERLAND'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Investment properties	-	76,210	76,210
Investments	-	6,090,377	6,090,377
Current assets/(liabilities)	30,560	246,589	277,149
	<u>30,560</u>	<u>6,413,176</u>	<u>6,443,736</u>

	Unrestricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Investment properties	-	76,210	76,210
Investments	-	5,405,380	5,405,380
Current assets/(liabilities)	42,414	232,052	274,466
	<u>42,414</u>	<u>5,713,642</u>	<u>5,756,056</u>

17 Related party transactions

Various transactions were paid on behalf of the charity by the Trustees of the Will of The 9th Duke of Northumberland. At the year end a balance of £43,238 was owed to the Trustees of the Will of The 9th Duke of Northumberland (2020: £25,570). Interest is not charged on this balance and the balance is paid off regularly. The Duke of Northumberland is a Trustee of the charity and of the Will of The 9th Duke of Northumberland.

The charity shares collective administrative arrangements with businesses and estates controlled by The Duke of Northumberland, organised primarily under the auspices of Earl Percy Northern Estates. Earl Percy Northern Estates is an entity owned by Earl Percy, the son of The Duke of Northumberland. During the year the Duke of Northumberland's Charity has been charged a management fee of £1,443 (2020: £1,323) to Early Percy Northern Estates. The outstanding amount at the year end was £nil (2020: £1,323).