

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023
FOR
THE KATHLEEN HANNAY MEMORIAL CHARITY**

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THE KATHLEEN HANNAY MEMORIAL CHARITY

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for the year ended 5 April 2023**

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THE KATHLEEN HANNAY MEMORIAL CHARITY

**REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 5 April 2023**

TRUSTEES	S P Weil J F Weil Ms L A S Watkins Mrs C A K Ward
PRINCIPAL ADDRESS	5 Fleet Place London EC4M 7RD
REGISTERED CHARITY NUMBER	299600
INDEPENDENT EXAMINER	Berringers LLP Chartered Accountants Lygon House 50 London Road Bromley Kent BR1 3RA
SOLICITORS	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
ADVISERS	Veritas Investment Partners (UK) Limited Riverside House 2a Southwark Bridge Road London SE1 9HA Rothschild & Co Wealth Management New Court St Swithin's Lane London EC4N 8AL Stonehage Fleming Investment Management Limited 15 Suffolks Street London SW1Y 4HG

THE KATHLEEN HANNAY MEMORIAL CHARITY

REPORT OF THE TRUSTEES for the year ended 5 April 2023

The trustees present their report with the financial statements of the charity for the year ended 5 April 2023. The trustees have adopted the provisions of 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 2019).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity'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 published on 16 July 2014 (as amended by Update Bulletin 1 and 2).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees support a wide variety of UK and worldwide charitable causes. In furtherance of the objects, the Trustees continue to make a substantial number of grants to charitable organisations both on a one off and recurring basis.

Selecting applicants and making awards

The Trustees consider and approve grants annually and although many are made to the same charities each year none are promised or guaranteed. Applications for financial assistance are made to the Principal Office.

As required by the Charities Act 2011, the Trustees have referred to the Charity Commission's general guidance on public benefit when formulating the grant making policy. In particular, the Trustees consider how grants can be made to ensure the maximum benefit flows through to the intended ultimate beneficiaries.

Public benefit statement

The Trustees have had regard to the Charity Commission's guidance on public benefit including the guidance "public benefit: running a charity (PB2)". The charity's aims are far-reaching and for the public benefit. By making grants to individuals for educational purposes the Trustees are confident that their public benefit duty is fulfilled. The Trustees also consider that there is no detriment, harm or private benefit that arises from carrying out the charity's aims.

Fund raising policy

The Charity's income is generated from the investments held, it does not undertake fundraising activities, it is nevertheless mindful of the code issued by the fundraising regulator.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Charitable grants were made in the year of £488,810 paid to 41 registered charities (2022: £383,250 to 30 registered charities).

FINANCIAL REVIEW

Financial position

Income

Income for the year, comprising dividends and interest, amounted to £184,925 (2022: £129,506).

Expenditure

As mentioned above, 2023 Grants were £488,810 (2022: £383,250). Charitable Support costs (administration and management costs) were £64,102 (2022: £41,470). All administration costs are charitable except for expenditure on raising funds (investment management fees), shown in the Expendable Endowment Fund: £89,107 (2022: £144,756).

THE KATHLEEN HANNAY MEMORIAL CHARITY

REPORT OF THE TRUSTEES for the year ended 5 April 2023

FINANCIAL REVIEW

Investment policy and performance

The Trustees are given wide powers of investment by the 24 March 1988 Deed. The Trustees policy is to maintain a balanced portfolio of income generation and capital growth. The investment managers are Veritas and Stonehage Fleming, who retained investments on 5 April 2023, which cannot easily be realised. The investments were valued at £14,313,516 on 5 April 2023 (2022: £16,689,996). Following the disruptions caused by the COVID-19 pandemic, which has resulted in economic uncertainty; the value of the investments held by the trust has been reduced at the year end. The trust holds these investments as an endowment for the long term and expects the investment values to recover. There are no plans for the trust to liquidate a substantial portion of the investments which would crystallise this loss.

Reserves policy

It is the Trustees intention to sustain the expendable endowment fund at a level which will provide sufficient investment income to meet the level of donations paid, cover the charity's administration costs and to be able to respond to any emergency applications that may arise from time to time.

At the Balance Sheet date the reserves of the charity amounted to £14,641,721 all of which was expendable endowment (2022: £16,872,757 - all expendable endowment).

Going concern

The Trustees have prepared the financial statements on a going concern basis. However, before reaching their decision to do so, careful consideration has been given to the possible implications of COVID-19.

The main consideration was the volatility of the stock market and its implications on both the value of the investment portfolio and the level of income arising therefrom as the charity relies on both to produce sufficient funds to meet its liabilities as and when they fall due. In particular discussions have taken place with the Investment Advisers to plan the best way forward.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by an initial gift from The Reverend Robert Fleming Hannay in 1988. Subsequent gifts were received from the residuary estate of James Maxwell Hannay (who died on 4 June 1977) and from the Trustees of the Hannay Charitable Trust, dated 5 May 1977, on 11 April 1988 and 14 April 1988 respectively. The Charity does not actively fundraise and seeks to continue the work desired by the Donor through the careful stewardship of its existing resources.

The Charity was created wholly for charitable purposes. The Trustees shall hold the Trust Fund and the income thereof, upon Trust to pay or apply, after the payment of all expenses of maintaining and managing the Trust Fund, to such expenses of maintaining such charitable purposes as the Trustees in their discretion shall from time to time think fit.

Income can be applied to fund or endow any charitable foundation, create charitable discretionary trusts and need not be expended in any one year in its entirety if the Trustees, at their discretion, so decide as they have the power to accumulate income for later disbursement.

Appointment of Trustees and Trustee induction and training

Trustees are appointed by deed, the statutory powers of appointing new Trustees apply. Induction and training for Trustees is provided when relevant.

Approved by order of the board of trustees on 15 December 2023 and signed on its behalf by:

Simon Weil

.....
S P Weil - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE KATHLEEN HANNAY MEMORIAL CHARITY**

Independent examiner's report to the trustees of The Kathleen Hannay Memorial Charity

I report to the charity trustees on my examination of the accounts of The Kathleen Hannay Memorial Charity (the Trust) for the year ended 5 April 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').

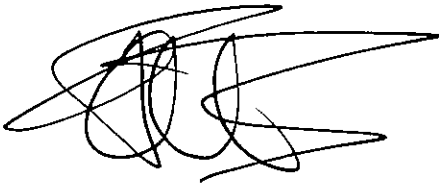
I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

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 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.

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.



Paul Allan BSocSc FCA
The Institute of Chartered Accountants in England and Wales

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 15/12/2023

THE KATHLEEN HANNAY MEMORIAL CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 5 April 2023

				2023	2022
	Notes	Unrestricted fund £	Expendable Endowment Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	2	<u>184,925</u>	<u>-</u>	<u>184,925</u>	<u>129,506</u>
EXPENDITURE ON					
Raising funds	3	-	89,107	89,107	144,756
Charitable activities					
Support costs		64,102	-	64,102	41,470
Grants		<u>488,810</u>	<u>-</u>	<u>488,810</u>	<u>383,250</u>
Total		<u>552,912</u>	<u>89,107</u>	<u>642,019</u>	<u>569,476</u>
Net gains/(losses) on investments		<u>-</u>	<u>(1,773,942)</u>	<u>(1,773,942)</u>	<u>246,969</u>
NET INCOME/(EXPENDITURE)		<u>(367,987)</u>	<u>(1,863,049)</u>	<u>(2,231,036)</u>	<u>(193,001)</u>
Transfers between funds	11	<u>367,987</u>	<u>(367,987)</u>	<u>-</u>	<u>-</u>
Net movement in funds		-	(2,231,036)	(2,231,036)	(193,001)
RECONCILIATION OF FUNDS					
Total funds brought forward		-	16,872,757	16,872,757	17,065,758
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>14,641,721</u>	<u>14,641,721</u>	<u>16,872,757</u>

The notes form part of these financial statements

THE KATHLEEN HANNAY MEMORIAL CHARITY

BALANCE SHEET

5 April 2023

				2023	2022
		Unrestricted	Expendable	Total	Total
	Notes	fund	Endowment	funds	funds
		£	Fund	£	£
FIXED ASSETS					
Investments	8	-	14,313,516	14,313,516	16,689,996
CURRENT ASSETS					
Debtors	9	-	19,778	19,778	977
Cash at bank		-	411,342	411,342	316,624
		-	431,120	431,120	317,601
CREDITORS					
Amounts falling due within one year	10	-	(102,915)	(102,915)	(134,840)
NET CURRENT ASSETS		-	328,205	328,205	182,761
TOTAL ASSETS LESS CURRENT LIABILITIES		-	14,641,721	14,641,721	16,872,757
NET ASSETS		-	14,641,721	14,641,721	16,872,757
FUNDS	11				
Endowment funds				14,641,721	16,872,757
TOTAL FUNDS				14,641,721	16,872,757

The financial statements were approved by the Board of Trustees and authorised for issue on 15 December 2023 and were signed on its behalf by:

Simon Weil

S P Weil - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 5 April 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the directors 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.

Going concern

These financial statements are prepared on the going concern basis. The Trustees have reasonable expectation that the Charity will continue in operational existence for the foreseeable future and have considered the impact of COVID-19 on its operations.

Income

Deposit account interest is recognised when received. Investment income is recognised when the shareholder's right to receive payment is established, although at the year end if the payment is due but not received (i.e. it is "ex-dividend") it is not included in these accounts, it will be shown in the subsequent year when received. Foreign exchange gains or losses for the year are the difference between the amount invested and that received.

Expenditure

A liability and related expenditure is recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event; that it is likely to be settled and that it can be measured or estimated reliably. Other than investment management fees (expenditure on raising funds), all administration expenses are charitable support costs.

Charitable grants

Grants are recognised when the trustees have made a decision to make a payment and that decision has been communicated to the recipient and it is probable that payment will take place. However, the recognition of any liability will be dependent on any conditions attaching to the commitment.

Taxation

The charity is exempt from tax on its charitable activities.

Funds

Unrestricted Funds comprise those funds which the trustees are free to use in accordance with the charitable objects. The Expendable Endowment Fund represents those assets which are held for the longer term for Trust, in accordance with the terms of the Trust deed. Income arising on the Expendable Endowment Fund can be used in accordance with the objects of the Trust and is included in the unrestricted income. As an Expendable Endowment, capital can also be spent in certain circumstances in fulfilment of the Trust's objects. Any capital gains or losses arising on the investments held in the Expendable Endowment Fund form part of the fund.

THE KATHLEEN HANNAY MEMORIAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023**

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes net gains and losses arising on revaluations and disposals throughout the year.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102 recognised at transaction value and subsequently adjusted for impairment. Investments are initially measured at transaction price and subsequently at fair value

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Creditors

Creditors receivable within one year of the reporting date are carried at their transaction price. Creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employees

There are no staff members employed directly by the charity.

2. INVESTMENT INCOME

	2023	2022
	£	£
Income from investments	184,925	129,506

THE KATHLEEN HANNAY MEMORIAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023**

3. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Stonehage Fleming/R F Trustee Co fees	541	959
Rothschild Investment management fees	66,089	143,797
Veritas management fees	22,477	-
	<u>89,107</u>	<u>144,756</u>

4. GRANTS PAYABLE

	2023	2022
	£	£
Grants	<u>488,810</u>	<u>383,250</u>

The total grants paid to institutions during the year was as follows:

	2023	2022
	£	£
Britten Pears Arts	-	25,000
Caritas	27,500	-
Children's Burns Trust	25,000	25,000
Museum of Music History	20,000	20,000
New English Ballet Theatre	50,000	25,000
The Harnhill Centre	-	60,000
The English Concert	20,000	-
Holy Trinity Sloane Square	20,000	20,000
Humanitarian Aid Fund Great Britain	20,000	-
Disasters Emergency Committee - Afghanistan	-	30,000
Disasters Emergency Committee - Ukraine	40,000	40,000
Manchester Global Foundation	-	-
British Red Cross	-	15,000
Depaul International	15,000	15,000
Save the Children - Pakistan	50,000	-
St Christophers Hospice	15,000	15,000
STCF Philanthropy	-	15,000
The UK Committee	-	15,000
Other donations made (under £15,000)	186,310	103,250
	<u>488,810</u>	<u>383,250</u>

All of which were paid during the year, except for £20,000 relating to The Harnhill Centre, £20,000 relating to Humanitarian Aid Fund Great Britain and £48,500 relating to Other donations made (under £15,000), which will be paid post year end.

THE KATHLEEN HANNAY MEMORIAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023**

5. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Support costs	<u>500</u>	<u>63,602</u>	<u>64,102</u>

Support costs, included in the above, are as follows:

Finance

	2023 Support costs £	2022 Total activities £
Bank charges	<u>500</u>	<u>105</u>

Governance costs

	2023 Support costs £	2022 Total activities £
Independent examination	3,840	3,420
Legal & professional fees	<u>59,762</u>	<u>37,945</u>
	<u>63,602</u>	<u>41,365</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2023 nor for the year ended 5 April 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2023 nor for the year ended 5 April 2022.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Expendable Endowment Fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	<u>129,506</u>	<u>-</u>	<u>129,506</u>
EXPENDITURE ON			
Raising funds	-	144,756	144,756
Charitable activities			
Support costs	41,470	-	41,470
Grants	<u>383,250</u>	<u>-</u>	<u>383,250</u>
Total	<u>424,720</u>	<u>144,756</u>	<u>569,476</u>
Net gains on investments	-	246,969	246,969

THE KATHLEEN HANNAY MEMORIAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Expendable Endowment Fund £	Total funds £
NET INCOME/(EXPENDITURE)	(295,214)	102,213	(193,001)
Transfers between funds	295,214	(295,214)	-
Net movement in funds	-	(193,001)	(193,001)
RECONCILIATION OF FUNDS			
Total funds brought forward	-	17,065,758	17,065,758
TOTAL FUNDS CARRIED FORWARD	-	16,872,757	16,872,757

8. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 6 April 2022	16,687,488	2,508	16,689,996
Additions	19,368,159	-	19,368,159
Disposals	(17,926,001)	(26,467)	(17,952,468)
Revaluations	(3,816,263)	24,092	(3,792,171)
At 5 April 2023	14,313,383	133	14,313,516
NET BOOK VALUE			
At 5 April 2023	14,313,383	133	14,313,516
At 5 April 2022	16,687,488	2,508	16,689,996

Analysis of investment assets:

	£
Held in the UK	3,566,520
Held outside the UK:	10,746,996
	<u>14,313,516</u>

Investments greater than 5% of the total holding (market value):

	£	%
Royal London Short Term MM Fund	783,767	5.5

THE KATHLEEN HANNAY MEMORIAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023

8. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 5 April 2023 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2023	548,150	(26,714)	521,436
Cost	13,765,233	26,847	13,792,080
	<u>14,313,383</u>	<u>133</u>	<u>14,313,516</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Prepayments and accrued income	<u>19,778</u>	<u>977</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other creditors	<u>102,915</u>	<u>134,840</u>

11. MOVEMENT IN FUNDS

	At 6.4.22 £	Net movement in funds £	Transfers between funds £	At 5.4.23 £
Unrestricted funds				
General fund	-	(367,987)	367,987	-
Endowment funds				
Expendable Endowment Fund	16,872,757	(1,863,049)	(367,987)	14,641,721
TOTAL FUNDS	<u>16,872,757</u>	<u>(2,231,036)</u>	<u>-</u>	<u>14,641,721</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	184,925	(552,912)	-	(367,987)
Endowment funds				
Expendable Endowment Fund	-	(89,107)	(1,773,942)	(1,863,049)
TOTAL FUNDS	<u>184,925</u>	<u>(642,019)</u>	<u>(1,773,942)</u>	<u>(2,231,036)</u>

THE KATHLEEN HANNAY MEMORIAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2023**

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 6.4.21 £	Net movement in funds £	Transfers between funds £	At 5.4.22 £
Unrestricted funds				
General fund	-	(295,214)	295,214	-
Endowment funds				
Expendable Endowment Fund	17,065,758	102,213	(295,214)	16,872,757
TOTAL FUNDS	<u>17,065,758</u>	<u>(193,001)</u>	<u>-</u>	<u>16,872,757</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	129,506	(424,720)	-	(295,214)
Endowment funds				
Expendable Endowment Fund	-	(144,756)	246,969	102,213
TOTAL FUNDS	<u>129,506</u>	<u>(569,476)</u>	<u>246,969</u>	<u>(193,001)</u>

12. RELATED PARTY DISCLOSURES

None of the Trustees received remuneration during the year covered by these accounts, nor were they paid any expenses (2022: £nil).

Mrs Christian Ward holds shares in Stonehage Fleming Family & Partners (SFF&P), but is not a substantial shareholder of the company. SFF&P is the parent company of Stonehage Fleming Investment Management (SFIM), one of the charity's investment managers on 5 April 2023. The company SFF&P has associations with RF Trustee Co Limited. SFIM and RF Trustee Co (combined) charged the charity £541 during the year (2022: £959).

The Trustees made donations of £20,000 (2022: £10,000), £50,000 (2022: £25,000) and £12,500 (2022: £12,500) to The English Concert, The New English Ballet Theatre and The Handel House Trust Limited respectively. Simon Weil is a Trustee of each charity. The donations were all paid during the year.

During the year fees of £59,763 (2022: £37,945) were payable to Charles Russell Speechlys LLP. One of the Trustees, Simon Weil is a current partner of Charles Russell Speechlys LLP. At the year end £10,575 (2022:£32,820) was owed to Charles Russell Speechlys LLP.