

MARCHIG ANIMAL WELFARE TRUST
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2020
Scottish Charity No.: SC038057
England & Wales Charity No.: 802133

Whitelaw Wells
Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

MARCHIG ANIMAL WELFARE TRUST

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MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

The Trustees have pleasure in submitting their annual report for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes

The purposes of the Trust shall be wholly charitable. It operates as a grant-making Trust to promote and advance animal welfare and in furtherance of the following object:-

- to promote and encourage practical work in preventing cruelty to animals and relieving suffering of animals

Aims

The Trust furthers its charitable objects (described above) by making grants to organisations and individuals at home and abroad which share the same, or similar, objectives.

Activities

During the year the Trust continued to support a variety of organisations and individuals at home and abroad in accordance with its objects through awarding grants.

Grant making policy

The Trust invites applications for funding which are then reviewed against specific criteria as set by the Trustees in accordance with the Trust's objectives. A full and detailed report is available from the Head Office.

Public Benefit

The Trustees have considered the Charity Commission guidance on public benefit. The Trust's public benefit has been discharged by making grants and donations in accordance with its objectives, aims and grant making policy, to organisations directly involved in the provision of charitable services.

MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

ACHIEVEMENTS AND PERFORMANCE

The Trust does not engage in charitable activities directly but meets its charitable purposes, and public benefit, by awarding grants to third party organisations.

During the year the Trustees have received and reviewed applications from a number of organisations. The Trustees are pleased to report that there were significant grants awarded in the year, both in number and in value. Grants paid and awarded in the year amounted to £0.9m (2019: £2.9m). The reduction was due to new grant commitments in the previous year, however, in cash terms grants paid increased from £1m to £1.2m in 2020, as shown in note 2. A total of 66 (2019: 43) grants were paid out of which 29 (2019: 16) were for less than £5,000.

FINANCIAL REVIEW

Interest and dividends receivable in the year totalled £351,575 (2019: £209,198). Total income for the year was £351,575 (2019: £213,161), with expenditure of £1,030,765 (2019: £3,175,634) leaving a deficit for the year of £679,190 (2019: deficit £2,962,473) before gains and losses on investments. Overall there were net gains on investments of £848,398 (2019: gain of £2,534,358) and other gains of £25,919 (2019: £10,331) leaving a net movement in funds surplus for the year of £195,127 (2019: deficit £417,784), all of which is unrestricted.

Support costs amounted to £76,250 (2019: £76,581) during the year, therefore remaining low at 0.52% of the closing general fund balance (2019: 0.53%). Four Trustees claimed travel and office expenses totalling £2,998 (2019: £2,191).

At 31 December 2020 the market value of investments held was £17.1m (2019: £16.3m), with the balance on the general fund £14.6m (2019: £14.4m).

Cash at the bank as at 31 December 2020 amounted to £67,000 (2019: £1.0m).

Investment objectives, policy and performance

In accordance with the Trust Deed, the Trustees have the power to invest in such stocks, shares, investments and property in the UK or overseas as they in their sole discretion see fit. Specifically, the Investment Managers have been directed not to invest directly in any company whose practices are known to involve the use of animals in non-medical research and testing, or whose practices are known to be contributing to 'climate change'. Furthermore, the Investment Managers when making investment decisions on behalf of the Trust in relation to carbon/climate exposure, have been directed to pursue the best ways to increase exposure to industries and companies which are contributing to climate change mitigation and adaptation. The Trustees have engaged Rathbone Investment Management Limited as investment managers.

The Trustees investment policy is geared towards a balanced return between capital and income.

The value of the investments has increased by 4.9% in the year despite net disposals of approximately £39,000. Increased market prices at the year-end resulted in unrealised gains of £1.12m within the portfolio.

Gross dividend income has increased by £121,433 (61%) in the year following changes in the investment portfolio in the previous and current years.

MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

The Trustees acknowledge market volatility with the investment performance during the year, largely caused by the Covid-19 pandemic, and the returns generated from the investment portfolio. They are satisfied with performance.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. They have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks faced by the Trust are investment risk together with operational risk from inefficient grant making.

The Trustees mitigate investment risk by maintaining a diversified investment portfolio managed by professional investment managers.

The operational risk of making ineffective grants is mitigated by ensuring the Trustees have the necessary skills and expertise to objectively assess each application received. The grant making process involves detailed scrutiny of all the applications by all Trustees in conjunction with the Trustees detailed knowledge of the sector. The review process is mainly focussed on animal welfare and protection derived from any grant made.

Reserves Policy

It is the policy of the Trustees to ultimately distribute the income of the Trust in the form of grants or donations. At the year end the free reserves of the charity were £14,600,066 (2019: £14,404,939).

The funds of the Trust are wholly unrestricted and are represented by a portfolio of investments and cash balances. The investments are managed on a discretionary basis by the investment managers. The Trustees have power to draw upon the investments in furtherance of the Trust's objectives whilst retaining sufficient funds to meet any commitments they may undertake.

As the assets of the Trust are held in a readily realisable form the Trustees do not therefore consider it necessary to maintain specific cash reserves.

Impact of Covid-19

Covid-19 has had an impact on the value of the Trust's investments during the year. This was in the main caused by the turmoil within the global stock markets, however, at the year end the value of investments held had recovered to a value of £17.1 million against a value of £16.3 million as at 31 December 2019. Investment volatility was, however, significant during the year. The awarding of grants has been unaffected thus far, but the Trustees are closely monitoring the on-going situation and in regular contact with the charity's Investment Managers.

PLANS FOR THE FUTURE

The Trustees will continue to consider all grant applications received and to assess them all according to merit. There is no internal requirement that a certain proportion of income be expended in any one year. The Trust also has an objective to invest the funds at its disposal in an effective manner thereby increasing the resources available to continue to make grants to worthwhile causes in the future.

MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

The Trust is an unincorporated trust, constituted under a Trust Deed dated 13 September 1989 (amended 1 October 2001), and is recognised as a charity by the Office of the Scottish Charity Regulator, charity number SC038057, and by the Charity Commission in England & Wales, charity number 802133.

Recruitment and appointment of Trustees

The Trustees are appointed by the existing Board of Trustees and the Trust Deed provides for a minimum of three Trustees and a maximum of six Trustees.

The Trustees meet at least once in each calendar year and more often as occasion requires to agree the broad strategy and grants to be awarded by the Trust and consider other issues such as investment, reserve and risk management policies and performance. The quorum for each meeting is two thirds of the total number of Trustees with the Trustees meeting twice during the current year. Due to the Covid-19 pandemic meetings in the year have been held virtually.

Organisational structure

The charity has no staff and is managed at a strategic level by the Trustees. In practice two Trustees have been delegated to perform the management and administration of the charity on a day to day basis.

Pay and remuneration policy

In accordance with paragraph 4 of the Trust Deed, the Trustees have the power to indemnify and reimburse themselves for any expenses or liabilities incurred in relation to the Trust. The Trust has no staff administration and support is provided by third parties on an invoice basis.

MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name: Marchig Animal Welfare Trust

Charity registration number: SC038057 (Scotland)
802133 (England & Wales)

Principal office: Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Trustees: Les Ward
Jerzy Mlotkiewicz
Janice McLoughlin
Fraser Symon
Matthew Tickle

Statutory Auditors: Whitelaw Wells
Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers: Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7AZ

Solicitors: Lindsays
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Investment managers: Rathbone Investment Management
8 Finsbury Circus
London
EC2M 7AZ

MARCHIG ANIMAL WELFARE TRUST
Report of the Trustees

for the year ended 31 December 2020

STATEMENT AS TO DISCLOSURE TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Trustees' responsibilities

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

The law applicable to charities in Scotland, 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 Trust at the end of the year and of the profit or loss for the year then ended. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust's constitution. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Trust and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that the accounts comply with the above requirements.

Approved by the Trustees on 24 May 2021 and signed on their behalf:



Jerzy Mlotkiewicz
Trustee

MARCHIG ANIMAL WELFARE TRUST

Independent Auditor's Report to the Trustees of Marchig Animal Welfare Trust Year ended 31 December 2020

Opinion

We have audited the financial statements of Marchig Animal Welfare Trust for the year ended 31 December 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) 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) (effective 1 January 2019).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 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 charity'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 in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be

MARCHIG ANIMAL WELFARE TRUST

Independent Auditor's Report to the Trustees of Marchig Animal Welfare Trust Year ended 31 December 2020

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires 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' annual report;
- Proper 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 Trustees' responsibilities statement set out on page 6, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 liquidate the charity or 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

MARCHIG ANIMAL WELFARE TRUST

Independent Auditor's Report to the Trustees of Marchig Animal Welfare Trust Year ended 31 December 2020

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 (1) of The Charities Act 2011, section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AS

24 May 2021

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MARCHIG ANIMAL WELFARE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING
THE INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2020

	Note	2020 £	2019 £
Income and endowments from			
<i>Investments</i>			
Dividends received		320,505	199,072
Interest received		31,070	10,126
<i>Other income</i>		-	3,963
		<hr/>	<hr/>
Total income		351,575	213,161
		<hr/>	<hr/>
Expenditure on			
<i>Raising funds</i>			
Investment management fees		76,342	177,767
<i>Charitable activities</i>			
Grants payable	2	878,173	2,921,286
Support costs	3	76,250	76,581
		<hr/>	<hr/>
Total expenditure		1,030,765	3,175,634
		<hr/>	<hr/>
Net (expenditure) before gains and losses on investments		(679,190)	(2,962,473)
Net gains / (losses) on investments	5	848,398	2,534,358
		<hr/>	<hr/>
Net income / (expenditure)		169,208	(428,115)
Other recognised gains and losses			
Other gains / (losses)		25,919	10,331
		<hr/>	<hr/>
Net movement in funds		195,127	(417,784)
Reconciliation of funds			
Balance on general fund at 31 December 2019		14,404,939	14,822,723
		<hr/>	<hr/>
Balance on general fund at 31 December 2020		14,600,066	14,404,939
		<hr/> <hr/>	<hr/> <hr/>

The charity has no recognised gains or losses other than the results for the year set out above.
All activities of the charity are classed as continuing and are unrestricted in the current and previous years.

The notes on pages 13 to 19 are an integral part of this statement of financial activities.

MARCHIG ANIMAL WELFARE TRUST**BALANCE SHEET****As at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets:			
Investments	5	17,073,272	16,263,493
Current assets:			
Cash at bank		67,339	1,018,556
		<hr/>	<hr/>
		67,339	1,018,556
Creditors: amounts falling due within one year	6	(856,412)	(714,710)
		<hr/>	<hr/>
Net current (liabilities)/assets		(789,073)	303,846
		<hr/>	<hr/>
Total assets less current liabilities		16,284,199	16,567,339
Creditors: amounts falling due after one year	7	(1,684,133)	(2,162,400)
		<hr/>	<hr/>
Total net assets		14,600,066	14,404,939
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
Balance on general fund (unrestricted)		14,600,066	14,404,939
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Trustees on 24 May 2021 and signed on their behalf:

**Jerzy Mlotkiewicz**
Trustee

The notes on pages 13 to 19 are an integral part of these accounts.

MARCHIG ANIMAL WELFARE TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
Net cash used in operating activities	8	(1,341,410)	(1,218,591)
Cash flows from investing activities			
Dividends and interest received	351,575		209,198
Proceeds from sale of investments	4,754,025		14,822,551
Purchase of investments	(4,715,407)		(15,560,403)
		<hr/>	<hr/>
Net cash provided by investing activities		390,193	(528,654)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(951,217)	(1,747,245)
Cash and cash equivalents at beginning of reporting period		1,018,556	2,765,801
		<hr/>	<hr/>
Cash and cash equivalents at end of reporting period	8	<u>67,339</u>	<u>1,018,556</u>

The notes on pages 13 to 19 are an integral part of these accounts.

MARCHIG ANIMAL WELFARE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 31 December 2020

1. Accounting policies

a) Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The accounts have been prepared in accordance with the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) 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 (FRS102) (effective 1 January 2019).

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

b) Income recognition

All income is recognised once the charity has entitlement to the resource, it is probable that it will be received and the monetary value of the resource can be measured with sufficient reliability.

c) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure.

- *Raising funds* consist of investment management fees.
- *Charitable activities* include grants awarded, direct charitable activities, overheads and support costs, including governance costs.

Grants are regarded as commitments when the Trustees have approved a request for support that is payable over a financial year-end, have written to the beneficiary stating the amount and period over which grants will be made and the beneficiary has returned their Grant Acceptance Form. Where an award includes a condition outwith the charity's control the grant is only recognised once that condition has been met. If, within the commitment period, a beneficiary ceases or materially adversely changes its charitable operations or fails to meet any funding condition the Trustees would have no hesitation in withdrawing their commitment.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support Trust activities. These costs include the expenses of Trustee meetings, the statutory audit and legal and professional fees, and have been allocated to expenditure on charitable activities.

MARCHIG ANIMAL WELFARE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 31 December 2020

1. Accounting policies (continued)

c) Expenditure recognition and irrecoverable VAT (continued)

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is 2.0%, the Trustees consider this to be appropriate.

d) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value.

Listed fixed asset investments are subsequently measured at their fair value as at the balance sheet date using the market value at the balance sheet date.

The statement of financial activities includes the gains and losses arising on revaluation and disposals throughout the year. 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 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). Exchange rate movements on investments held in foreign currencies are included in realised or unrealised gains or losses for the year.

Marchig Animal Welfare Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.

e) Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the transaction date. Exchange rate differences are taken into account in arriving at movement in funds for the year.

f) Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 and are accounted for at the settlement amount due, which equates to the cost. Financial assets comprise investments and cash. Financial liabilities comprise accruals.

MARCHIG ANIMAL WELFARE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 31 December 2020

2. Charitable grants

The following is a summary of grants paid by the Trust:

	2020	2019
	£	£
Blue Cross of India	-	130,000
Friendicoes SECA	81,759	-
Wildlife SOS	81,759	-
Help in Suffering, India	19,170	20,758
Humane Society International	-	21,816
Jagged Peak Films Ltd	-	24,700
Karuna Society for Animals and Nature	-	30,000
Soi Dog, Thailand	43,445	-
University of Edinburgh, UK	-	200,000
Worldwide Veterinary Service, UK	662,400	362,400
Other Grants (less than £20,000)	326,081	209,308
	<hr/>	<hr/>
Total paid in year	1,214,614	998,982
Future commitments	2,512,252	2,504,298
Less prior year future commitments	(2,848,693)	(581,994)
	<hr/>	<hr/>
	878,173	2,921,286
	<hr/> <hr/>	<hr/> <hr/>

During the year, 66 (2019: 43) grants were paid out totalling £1,214,614 (2019: £998,982), of which 29 (2019: 16) were for less than £5,000. There were 3 (2019: 4) future committed grants totalling £2,512,252 (2019: £2,848,693).

All grants in the current and previous year were paid to institutions with no amounts paid to individuals. Grants paid within the UK totalled £833,256 (2019: £671,444) with overseas grants totalling £381,358 (2019: £327,538).

MARCHIG ANIMAL WELFARE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 31 December 2020

3. Support costs

	2020	2019
	£	£
Office and travel expenses	2,998	2,191
Trustee remuneration	61,168	61,936
Legal fees	1,074	3,290
Bank charges	1,102	591
Bank interest	-	340
Website support costs	2,168	493
Governance costs:		
Auditors remuneration:-		
Audit fee	6,000	6,000
Accounting and taxation services	1,740	1,740
	<hr/>	<hr/>
	76,250	76,581
	<hr/> <hr/>	<hr/> <hr/>

As the charity does not provide services directly but by the way of grants to other organisations, support and governance costs are not allocated against individual grants or donations. The Trust has no staff. Administration and support services are provided by Trustees on a voluntary basis. Governance costs wholly consist of auditors remuneration.

4. Analysis of charitable expenditure

The charity undertakes its charitable activities through grant making and awarded grants to a number of charities and institutions in furtherance of its charitable activities.

	Grants	Support costs	Total 2020	Total 2019
	£	£	£	£
Animal Welfare	898,214	76,250	974,464	2,997,867
	<hr/>	<hr/>	<hr/>	<hr/>
	898,214	76,250	974,464	2,997,867
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MARCHIG ANIMAL WELFARE TRUST

**NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020**

5. Investments

Movement on fixed asset investments

	2020	Total 2020	Total 2019
	£	£	£
Fair value brought forward		16,263,492	12,991,283
Additions to investments at cost	4,715,407		15,560,403
Disposals at proceeds	(4,754,025)		(14,822,551)
Realised (loss)/gain on investments	(272,541)		2,222,454
Unrealised gain on investments	1,120,939		311,904
	<hr/>		
Net (loss) / gain on revaluation		809,780	3,272,210
		<hr/>	<hr/>
Fair value carried forward		17,073,272	16,263,493
		<hr/> <hr/>	<hr/> <hr/>

Investments at fair value comprised:

	Listed	Total 2020	Total 2019
	£	£	£
UK Investments	10,051,369	10,051,369	12,892,813
Outside the UK	7,021,903	7,021,903	3,370,680
	<hr/>	<hr/>	<hr/>
	17,073,272	17,073,272	16,263,493
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Listed	Total 2020	Total 2019
	£	£	£
Historic cost of investments	15,626,562	15,626,562	15,864,543
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All investments are carried at fair value. The basis of fair value for quoted investments is equivalent to the market value, using bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of the financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance of the Trustees' Report.

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub-sectors, particularly as the Trust is reliant on the dividend yield to finance its work.

MARCHIG ANIMAL WELFARE TRUST

**NOTES ON FINANCIAL STATEMENTS
for the year ended 31 December 2020**

5. Investments (continued)

The Trust has managed the investment risks by engaging expert advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes that are quoted on a recognised stock exchange. The Trust does not make use of derivatives or other similar complex financial instruments.

6. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	28,293	28,417
Future grant commitments	828,119	686,293
	856,412	714,710
	856,412	714,710

7. Creditors: amounts falling due after one year

	2020	2019
	£	£
Future grant commitments	1,684,133	2,162,400
	1,684,133	2,162,400
	1,684,133	2,162,400

8. Net cash (outflow)/inflow from activities

	2020	2019
	£	£
Net income/(expenditure) before revaluations and investment asset disposals	195,127	(417,784)
Adjusted for:-		
Investment income	(351,575)	(209,198)
Unrealised (gain) on investment	(1,120,939)	(311,904)
Realised loss/(gain) on investment	272,541	(2,222,454)
Movement in creditors	(336,564)	1,942,749
	(1,341,410)	(1,218,591)
Net cash (outflow) from operating activities	(1,341,410)	(1,218,591)

MARCHIG ANIMAL WELFARE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 31 December 2020

8. Net cash (outflow)/inflow from activities (continued)

Analysis of changes in net funds:	At 1 January 2020 £	Cash flow 2020 £	At 31 December 2020 £
Cash at bank	1,018,556	(951,217)	67,339

9. Trustees Expenses

£2,998 (2019: £2,639) of expenses were paid to four (2019: 5) Trustees during the year. Fees for services of £61,168 (2019: £61,936) were paid to two (2019: 2) Trustees.

10. Related Parties

There are no related party transactions other than as disclosed in note 9.

All Trustees are also Trustees of Help Animals International and Trustee Les Ward is also a Trustee of Foundation Marchig, a Swiss charity. During the year the Trust awarded grants totalling £94,619 that were matched by grants awarded by Help Animals International and/or Foundation Marchig.

No Trustee or other person related to the Trust had any personal interest in any contract or transaction entered into by the Trust during the year.

11. Taxation

As the charity is exempt under the terms of Section 505 of the Income and Corporation Taxes Act 1988, there is no tax charge.