

THE LORD AUSTIN TRUST
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

THE LORD AUSTIN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R S Kettel A N Andrews K M Dudley R J Hunt
Charity number	208394
Principal office	The Estate Office Wharf Cottage Broombank Tenbury Wells Worcestershire WR15 8NY
Independent examiner	RSM UK Tax and Accounting Limited Chartered Accountants St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	HSBC Bank plc PO Box 68 130 New Street Birmingham B2 4JU
Solicitors	Shakespeare Martineau No 1 Colmore Square Birmingham B4 6AA
Investment manager	Rathbone Investment Management Limited 1 Curzon Street London W1J 5FB

THE LORD AUSTIN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

Objectives and activities

The Charity provides financial assistance for strictly charitable purposes with the desire that preference should be given to:

- a) Hospitals and Clinics.
- b) Institutions whose objects are:
 - Medical and/or surgical research and similar and/or allied objects.
 - The care, maintenance, education and upbringing of poor children. In particular the testator desired that the Trustees should consider Barnardo's and similar institutions.
 - The care of destitute old people.
 - Projects that the Trustees consider would benefit the local community.

The Charity has the general aim of contributing to the quality of life of people.

There have been no changes in the objectives and aims since the last annual report.

The Trustees ensure that the Charity's investment portfolio generates income to provide funds for them to make grants to a wide range of causes to fulfil its objectives.

Achievement and performance

Financial review

The testator gave the Trustees absolute discretion in the appointment of the income and capital available amongst such institutions as they may determine from time to time.

The Charity received investment income during the year of £100,129 (2020: £132,222). The Trustees made 40 donations amounting to £92,550 (2020: £103,750 – 64 donations) to a wide range of causes. The net decrease in resources for the year amounted to £13,370 (2020: increase £15,837) before taking into account net gain on investments for the year of £658,005 (2020: loss £366,892). Total funds have increased from £3,555,840 to £4,200,475 (2020: decreased from £3,906,895 to £3,555,840).

Investment policy

The Charity's investments are managed by Rathbone Investment Management Limited. The investment manager provides quarterly reports and meets with the Trustees twice a year to review the Charities investments. The investment objectives are to seek to produce optimum total return in order to maintain the capital value of the portfolio in line with inflation and produce an annual income of at least £110,000. The Trustees wish to adopt a medium risk investment strategy, which should be achieved through a diversified portfolio of marketable investments.

The Trust Deed does not impose any specific restrictions on the way the Charity can operate. It is the policy of the Trustees that assets are invested in the widest range of investments as permitted by the Trustee Act 2000.

Reserves policy

The free reserves of the Charity as at 31 March 2021 were £4,200,475 (2020: £3,555,840) as represented by unrestricted funds. The Charity will aim to hold at least £80,000 as cash received at the end of each year. These reserves are held to ensure that the Charity can continue its grant making activities in future.

THE LORD AUSTIN TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Going concern

The Trustees have considered, in the context of the Covid-19 pandemic, the going concern concept and any associated material uncertainties, the basis of any significant judgements and the matters to consider when confirming the preparation of the financial statements on a going concern basis and the Trustees are comfortable that there are not any adjustments required. The Trustees expect the Charity to continue in operation for at least 12 months from the date of signing the financial statements.

Future plans

The Trustees, with the assistance of the investment manager, continue to monitor stock market performance to ensure that the Charity's income and capital are maintained as well as possible. The Trustees intend to continue providing grants and donations for charitable purposes in accordance with the procedures and policies stated above.

Structure, governance and management

Overall responsibility for the Charity's activities is vested in the Trustees, who are appointed under the terms of the Trust Deed.

The Charity is governed and constituted by Will and Codicil of the late Right Honourable Herbert Baron Austin of Longbridge KBE and varied in an order of the High Court of Justice (Chancery Division) dated 22 February 1962 and a scheme dated 6 March 2007 and is registered with the Charity Commission, number 208394. A new Trustee would receive a copy of the governing document, a copy of the previous year's financial statements and a copy of the Charity Commission leaflet 'The Essential Trustee: What You Need to Know'.

The Trustees 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 our exposure to major risks. The major risk continues to be a long-term decline in asset values which reduces the amount available for charitable grants. This is mitigated by ensuring that sufficient headroom is maintained in asset values and grants committed.

The Trustees who served during the year were:

R S Kettel

A N Andrews

K M Dudley

R J Hunt

(Appointed 23 November 2020)

Procedures and policy for grant making

The Trustees normally meet biannually to consider which grants they will award, in line with the preferences listed above, and to review any feedback they have received.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

INDEPENDENT EXAMINER

The Trustees have appointed Paul Oxtoby of RSM UK Tax and Accounting Limited as Independent Examiner to the Charity.

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

.....
R S Kettel

.....
A N Andrews

Dated:

Dated:.....

THE LORD AUSTIN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

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 Charity and of the incoming resources and application of resources of the Charity 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 and Statements of Recommended Practice 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LORD AUSTIN TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE LORD AUSTIN TRUST

I report to the Trustees on my examination of the accounts of The Lord Austin Trust ('the Charity') for the year ended 31 March 2021, which are set out on pages 5 to 12.

Responsibilities and basis of report

As the Trustees of the Charity 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 Charity'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. 1. accounting records were not kept in respect of the Charity 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.

Paul Oxtoby FCCA
RSM UK Tax and Accounting Limited
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Dated:

THE LORD AUSTIN TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Investments	3	100,129	132,222
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Raising funds	5	7,594	-
Charitable activities	4	105,905	116,385
		<hr/>	<hr/>
Total expenditure		113,499	116,385
		<hr/>	<hr/>
Net gains/(losses) on investments		658,005	(366,892)
		<hr/>	<hr/>
Net income/(expenditure)		644,635	(351,055)
		<hr/>	<hr/>
Total funds brought forward		3,555,840	3,906,895
		<hr/>	<hr/>
Total funds carried forward		4,200,475	3,555,840
		<hr/> <hr/>	<hr/> <hr/>

THE LORD AUSTIN TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	9	4,094,895		3,440,578	
Current assets					
Debtors	10	22,772		29,328	
Cash at bank and in hand		92,096		95,072	
		114,868		124,400	
Creditors: amounts falling due within one year	11	(9,288)		(9,138)	
Net current assets		105,580		115,262	
Total assets less current liabilities		4,200,475		3,555,840	
The funds of the Charity:					
Unrestricted funds	13	4,200,475		3,555,840	
Total Charity funds		4,200,475		3,555,840	

The financial statements were approved by the Trustees on

.....
R S Kettel
Trustee

.....
A N Andrews
Trustee

THE LORD AUSTIN TRUST

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

1 Accounting policies

Charity information

The Lord Austin Trust is a charitable Trust registered in England. The address of the Charity's registered office is The Estate Office, Wharf Cottage, Broombank, Tenbury Wells, Worcestershire, WR15 8NY.

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

Accounting convention

The financial statements have been prepared in accordance with the Charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by 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) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The Charity is a Public Benefit Entity as defined by FRS102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The Trustees have considered, in the context of the Covid-19 pandemic, the going concern concept and any associated material uncertainties, the basis of any significant judgements and the matters to consider when confirming the preparation of the financial statements on a going concern basis and the Trustees are comfortable that there are not any adjustments required. The Trustees expect the Charity to continue in operation for at least 12 months from the date of signing the financial statements.

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.

Incoming resources

Income is recognised when the Charity 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Charitable Donations

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Charity has agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Charity.

THE LORD AUSTIN TRUST

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

1 Accounting policies (Continued)

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that 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 has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allotted on a basis consistent with the use of the resources.

Charitable activities include grants made and governance costs.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

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. All gains and losses are taken to the Statement of Financial Activities as they arise.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost less any amounts settled.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost less any amounts settled.

Taxation

The Lord Austin Trust is registered as a Charity with the Charity Commission and under the provisions of Section 478 Corporation Tax Act 2010, is exempt from liability to taxation.

THE LORD AUSTIN TRUST

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

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees 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.

With respect to the next reporting period, 2021-22, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets (see the investment policy and performance sections of the Trustees' annual report for more information).

3 Investments

	Total Unrestricted funds 2021	Total Unrestricted funds 2020
	£	£
Dividends	100,129	132,222

4 Charitable activities

Donations made to institutions:

	2021 £	2020 £
St Mary's Hospice	11,000	6,000
Acorns Children	11,000	5,000
St Richard's Hospice	8,000	2,500
CBSO	6,500	6,500
Primrose Hospice	5,000	2,500
Black Country Living Museum	-	5,000
Other donations < £5,000	51,050	76,250
	92,550	103,750
Governance costs (see note 6)	13,355	12,635
	105,905	116,385

The total number of charitable donations paid to institutions within the above categories was 40 (2020: 64).

THE LORD AUSTIN TRUST

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

5 Raising funds

	2021	2020
	£	£
Investment management	7,594	-
	<u>7,594</u>	<u>-</u>

The investment management costs for Rathbone Investment Management Limited were previously charged to the fund directly and the fee is deducted from the unit price on a daily basis. The investment management costs charged by Rathbone Investment Management Limited for the year ended 31 March 2020 were £7,409. This year Rathbone Management fees are shown within cost of raising funds.

6 Governance costs

	2021	2020
	£	£
Accountancy fees	5,520	5,160
Independent examiner's fees	3,660	3,300
Charity management fees	4,175	4,175
	<u>13,355</u>	<u>12,635</u>
Analysed between:		
Charitable activities	<u>13,355</u>	<u>12,635</u>

7 Trustees remuneration

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year (2020: £nil).

The Trust considers its key management personnel comprise the Trustees who received £nil remuneration during the year (2020: £nil).

8 Employees

There were no employees during the year (2020: none).

THE LORD AUSTIN TRUST

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

9 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 March 2021	3,440,578
Fair value movements	658,005
Disposal proceeds	(3,688)
	<hr/>
At 31 March 2021	4,094,895
	<hr/>
Carrying amount	
At 31 March 2021	4,094,895
	<hr/>
At 31 March 2020	3,440,578
	<hr/>

The total quoted listed investments of £4,094,895 are made up of the following:

- Global investment - Rathbone unit trust management fund £3,951,081
- Property funds - Mayfair capital investment management fund £143,814

The historical cost of the above investments are £3,020,811 (2020: £3,023,836).

Investments in the current and previous year were held in the Rathbone Unit Trust Management Fund.

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	22,772	29,328
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	-	390
Accruals	9,288	8,748
	<hr/>	<hr/>
	9,288	9,138
	<hr/>	<hr/>

THE LORD AUSTIN TRUST

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

12 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	4,094,895	3,440,578
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	9,288	9,138
	<u> </u>	<u> </u>

13 Unrestricted funds	Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds	3,555,840	100,129	(113,499)	658,005	4,200,475
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,555,840	100,129	(113,499)	658,005	4,200,475
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Analysis of net assets between funds	Total
	£
Fund balances at 31 March 2021 are represented by:	
Investments	4,094,895
Current assets/(liabilities)	105,580
	<u> </u>
	4,200,475
	<u> </u>
Fund balances at 31 March 2020 are represented by:	
Investments	3,440,578
Current assets/(liabilities)	115,262
	<u> </u>
	3,555,840
	<u> </u>

Unrestricted funds are the cumulative funds of the Charity and are held to ensure that the Charity can continue its grant making activities in the future.

15 Related party transactions

There were no related party transactions during the year (2020: none).