

THE LUKE TRUST

Registered Charity number 1000550

TRUSTEE'S REPORT AND ACCOUNTS 31 DECEMBER 2021

THE LUKE TRUST

Registered Charity number: 1000550

TRUSTEE'S REPORT FOR THE YEAR TO 31 DECEMBER 2021

TRUSTEE

National Churches Trust
(Company number: 06265201 England and Wales)
(Charity number: 1119845)

SECRETARY AND PRINCIPAL ADDRESS

Claire Walker
National Churches Trust
7 Tufton Street
London SW1P 3QB
Tel: 020 7222 0605

INVESTMENT MANAGERS

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

SOLICITORS

RadcliffesLeBrasseur LLP
85 Fleet Street
London
EC4Y 1AE

BANKERS

CAF Bank
Kings Hill Avenue
Kings Hill
West Malling
ME19 4JQ

AUDITOR

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

The trustee presents the report together with the accounts of The Luke Trust (the "charity") for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 15 of the attached accounts and comply with the charity's trust deed, 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 United Kingdom and Republic of Ireland (FRS 102).

Constitution and governance

The Luke Trust was founded by the then Lord Luke and other members of the Lawson Johnston family, under a Deed of Settlement on 18 February 1943. Administration is performed by the National Churches Trust, as successor to the Historic Churches Preservation Trust (HCPT), under an agreement made with the family trustees in April 1990. No charge is made for this service.

Trustees

National Churches Trust is the sole trustee of The Luke Trust. Its directors during the year ended 31 December 2021 and up to the date of this report were Shirley Adams, Paul Britton, Richard Carr-Archer (resigned December 2021), Gerald Corbett (appointed December 2021), John Drew (resigned September 2021), Donna McDonald, Luke March, David Muir (appointed December 2021), Catherine Pepinster, Stephen Sklaroff, Henry Stanford, Sarah Stewart (appointed December 2021), Nigel Walter (appointed December 2021) and Lucy Winkett.

Purposes

The purposes of The Luke Trust are mainly, but not exclusively, the advancement of the Christian religion. Following the death of the last family trustee, the agreement with HCPT provided that the income of the Trust should be directed towards churches needing assistance for fabric repairs, within the remit of HCPT. Preference is to be given to three nominated churches with Lawson Johnston connections, followed by all others in North Bedfordshire, followed by any within the remit of HCPT.

THE LUKE TRUST

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Public benefit

The trustee has had due regard to the guidance issued by the Charity Commission on public benefit.

Research by the National Churches Trust demonstrates the important roles that church buildings play in local communities as venues for volunteering and activities for children and older people, as locations for arts and cultural events, and as centres for a very wide range of other community activities, as well as continuing to be places of worship. The research also shows the significant financial challenge that is often faced by those caring for these buildings. By supporting Christian places of worship through direct financial assistance, other support and advice, the provision of information, and seeking to make the case for them through influencing and campaigning, the National Churches Trust and The Luke Trust help support churches to continue to play a role as important community assets, as venues for Christian worship and other public activity, and as repositories of local history and architecture.

Awards

The Trust welcomes applications from churches within the preferential categories referred to above. The existence of the Trust has been drawn to the attention of the three nominated churches. There is regular liaison with the Bedfordshire and Hertfordshire Historic Churches Trust to help identify suitable candidates for grants.

During the year, the trustee awarded thirteen grants totalling £100,888. All of the churches fall within the remit of HCPT.

Investments

The investment power of total return was granted by the trustee via the passing of a total return resolution on 14 June 2018. The trustee received advice with regard to the use of the power to ensure it does not prejudice the ability of the charity to support both current and future beneficiaries. The power permits the trustee to invest the permanently endowed funds of the Luke Trust fund to maximise total return and apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. The power of total return allows the trustee to decide in each year how much of the unapplied total return is transferred to income funds and so is available for grant making expenditure (as restricted under the terms of the endowment). An amount of £92,000 was transferred in the year (2020- £90,000).

The Luke Trust investment is managed by CCLA (COIF Charities Investment Fund). At 31 December 2021 the valuation of the CCLA investment was £804,583 (2020-£704,628).

Financial review

The primary statements of The Luke Trust are provided on pages 10 to 13, the principal accounting policies on pages 14 to 15 and the accompanying notes are set out on pages 16 to 20. At 31 December 2021, The Luke Trust held total funds of £661,590 (2020: £621,485), of which £600,179 were permanent endowment funds (2020: £571,537) and £61,411 (2020: £49,948) were unrestricted general funds.

Reserves policy

The policy of the trustee is to reduce the Luke Trust unapplied return fund over a 5 year period by transferring annually to income approximately 5% of the value of the endowment (to include the value of the unapplied funds) plus £60,000, until an amount equivalent to approximately 15% of the value of the endowment remains in the unapplied fund.

THE LUKE TRUST

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk management

The trustee has reviewed the risks to which the charity is exposed and considers that the major risk is that inherent in investment in stock exchange securities. It is partly for this reason that the charity's capital has for some years been managed by professional investment managers.

The trustee will continue to monitor closely the investment values and will continue to receive regular updates from its investment managers. The trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and that the charity can continue to operate as a going concern.

Key management personnel

The key management personnel of the charity comprise the trustees and senior management team of the National Churches Trust (the charity's sole trustee). No remuneration is paid by The Luke Trust to key management personnel.

Trustee's responsibilities

The trustee is responsible for preparing the trustee's report and the accounts 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 trustee to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustee's responsibilities (continued)

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable the trustee to ensure that the accounts comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the trust deed. The trustee is 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.

Approved by the trustee on:
and signed on behalf of the National Churches Trust by

Henry Stanford (*Trustee of the National Churches Trust*)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF THE LUKE TRUST

Opinion

We have audited the financial statements of The Luke Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the comparative statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2021 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 Act 2011.

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 Auditor's 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 other 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 trustee's 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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Report and Accounts, other than the accounts and our auditor's report thereon. 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 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 Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustee's annual report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to

specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and those that relate to data protection (General Data Protection Regulation)).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ performed substantive testing on expenditure; and
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charity's trustee in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's 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 the charity's trustee, for our audit work, for this report, or for the opinions we have formed

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE LUKE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
Income:				
Investment income	1	-	20,687	20,687
Total income		-	20,687	20,687
Expenditure:				
Expenditure on charitable activities				
Grants awarded	2	80,537	-	80,537
Total expenditure		80,537	-	80,537
Net (expenditure) / income before gains on investments		(80,537)	20,687	(59,850)
Net gains on investments	5	-	99,955	99,955
Net (expenditure) / income		(80,537)	120,642	40,105
Transfers between funds	8	92,000	(92,000)	-
Net movement in funds		11,463	28,642	40,105
Reconciliation of funds:				
Fund balances brought forward 1 January 2021		49,948	571,537	621,485
Fund balances carried forward 31 December 2021		61,411	600,179	661,590

THE LUKE TRUST

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Income:				
Investment income	1	-	10,612	10,612
Total income		-	10,612	10,612
Expenditure:				
Expenditure on charitable activities				
Grants awarded	2	66,365	-	66,365
Total expenditure		66,365	-	66,365
Net (expenditure) / income before gains on investments		(66,365)	10,612	(55,753)
Net gains on investments	5	-	68,765	68,765
Net (expenditure) / income		(66,365)	79,377	13,012
Transfers between funds	8	90,000	(90,000)	-
Net movement in funds		23,635	(10,623)	13,012
Reconciliation of funds:				
Fund balances brought forward 1 January 2020		26,313	582,160	608,473
Fund balances carried forward 31 December 2020		49,948	571,537	621,485

THE LUKE TRUST
BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	5	804,583	704,628
		<hr/>	<hr/>
Current assets			
Debtors	6	-	2,570
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		-	2,570
Creditors: amounts falling due within one year	7	(142,993)	(85,713)
		<hr/>	<hr/>
Net current liabilities		(142,993)	(83,143)
		<hr/>	<hr/>
Total net assets		661,590	621,485
		<hr/>	<hr/>
Funds of the charity:			
Funds and reserves			
Unrestricted funds		61,411	49,948
Permanent endowment funds	8	600,179	571,537
		<hr/>	<hr/>
Total funds		661,590	621,485
		<hr/>	<hr/>

Approved by the trustee and signed on its behalf by:

Henry Stanford

23 June 2022

THE LUKE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(20,687)	(107,532)
Cash flows from investing activities			
Investment income		20,687	10,612
Disposal of investments		-	796,920
Purchase of Investments		-	(700,000)
		20,687	107,532
Change in cash and cash equivalents in the year		-	-
Cash and cash equivalents at 1 January	B	-	-
Cash and cash equivalents at 31 December	B	-	-
A Reconciliation of net movement in funds to net cash used in operating activities			
		2021	2020
		£	£
Net movement in funds (as per statement of financial activities)		40,105	13,012
Adjustments for:			
Gains on investments		(99,955)	(68,765)
Investment income		(20,687)	(10,612)
Increase/(decrease) in creditors		57,280	(38,597)
Decrease/(increase) in debtors		2,570	(2,570)
Net cash used in operating activities		(20,687)	(107,532)
B Analysis of net debt			
		2021	2020
		£	£
Cash and cash equivalents: Cash at bank and in hand		-	-

THE LUKE TRUST

PRINCIPAL ACCOUNTING POLICIES

AS AT 31 DECEMBER 2021

BASIS OF PREPARATION

These accounts have been prepared for the year to 31 December 2021 with comparative information given in respect of the year to 31 December 2020. They are presented in sterling and rounded to the nearest pound.

With the exception of investments which are shown at fair value, i.e. market value, the accounts have been prepared under the historical cost convention, with items recognised at cost or transaction value.

The accounts have been prepared in accordance with 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 (Charities SORP FRS 102), and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Critical accounting estimates and areas of judgement

Preparation of the accounts may require the trustee to make significant judgements and estimates. Other than the assessment of future income and expenditure flows for the purpose of assessing going concern (see below), there were no critical accounting estimates and judgements involved in preparing these accounts.

Assessment of going concern

The trustee has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustee made this assessment in respect of a period of one year from the date of approval of these accounts.

With regard to the next accounting period, the year ending 31 December 2022, the most significant area that affects the carrying value of the assets held by the charity is the level of investment return and the performance of the investment markets (see the investments and risk management sections of the trustee's report for more information).

Investment income

Dividends and interest from investments are recorded in the period in which the charity is entitled to receipt and are inclusive of recoverable tax.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value. The charity does not acquire put options, derivatives or other complex financial instruments. As noted above, the main form of financial risk faced by the charity is that of volatility in investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular investment sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and the opening carrying value or the purchase price if acquired during the financial year. Unrealised gains (or losses) are calculated as the difference between the fair value at the year end and the previous carrying value. Realised and unrealised gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

THE LUKE TRUST

PRINCIPAL ACCOUNTING POLICIES

AS AT 31 DECEMBER 2021

Grants awarded

Grants are included as charitable expenditure when approved. Grants approved but unpaid at the year end are treated as creditors. Grant commitments are valid for two years from the date they are approved. If not taken up by the grantee within that period (or if withdrawn by mutual agreement), the offer is cancelled and the creditor is released.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

Unrestricted funds comprise those funds which the trustee is free to use in accordance with the charitable objects of the charity

The permanent endowment fund represents those assets which must be held permanently by the charity.

The charity operates a total return approach for its permanent endowment funds. All income, gains and losses are taken to the part of the fund representing accumulated unapplied returns in the first instance. An amount reflecting the deemed investment return each year is calculated using the charity's endowment spending policy and is transferred to income funds to be applied within the terms of these funds.

THE LUKE TRUST

NOTES TO THE ACCOUNTS

AS AT 31 DECEMBER 2021

1 INVESTMENT INCOME

	2021	2020
	£	£
<u>Dividends</u>		
Ruffer Global funds	-	10,612
CCLA-COIF Charities Investment Fund	20,687	-
	<u>20,687</u>	<u>10,612</u>

2 GRANTS AWARDED

Grants approved	100,888	66,365
Grants cancelled	(20,351)	-
	<u>80,537</u>	<u>66,365</u>

All grants awarded were made to institutions for church repairs.

All overhead and administrative costs, including auditor's remuneration, are borne by the National Churches Trust.

3 TRUSTEE'S EXPENSES

No amounts were payable to the National Churches Trust or its trustees in respect of either period for expenses or remuneration or any other benefits in connection with their services to the charity.

4 STAFF COSTS AND KEY MANAGEMENT PERSONNEL

No staff costs were incurred by the charity in respect of either period. The key management personnel of the charity are the trustees and senior management team of the charity's sole trustee, the National Churches Trust.

THE LUKE TRUST

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2021

5 FIXED ASSET INVESTMENTS

Listed Investments:	£
Market value at 1 January 2021	704,628
Unrealised gain	99,955
	<hr/>
Market value of listed Investment at 31 December 2021	804,583
	<hr/> <hr/>

	£
Market value at 1 January 2020	732,783
Sale of Ruffer holding	(796,920)
Realised gain	64,137
Purchase of CCLA units	700,000
Unrealised gain	4,628
	<hr/>
Market value of listed Investment at 31 December 2020	704,628
	<hr/> <hr/>

Listed investment holdings at 31 December were as follows:

	2021	2020
	£	£
CCLA COIF Charities Investment Fund	804,583	704,628
	<hr/>	<hr/>
Historical cost	700,000	700,000
	<hr/>	<hr/>

6 DEBTORS:	2021	2020
	£	£
Amounts due from Ruffer LLP	-	2,570
	<hr/>	<hr/>
	-	2,570
	<hr/>	<hr/>

THE LUKE TRUST

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2021

7 CREDITORS:	2021	2020
amounts due within one year	£	£
Grants payable to churches	116,889	75,569
Amounts due to the National Churches Trust	26,104	10,144
	<hr/>	<hr/>
	142,993	85,713
	<hr/> <hr/>	<hr/> <hr/>

8 APPLICATION OF THE POWER OF TOTAL RETURN TO THE LUKE TRUST ENDOWMENT

The investment power of total return was granted by the trustee via the passing of a total return resolution on 14 June 2018. The power of total return allows the trustee to decide in each year how much of the unapplied total return is transferred to income funds and so available for grant making expenditure (as restricted under the terms of the original legacy). An amount of £92,000 was transferred in the year (2020 - £90,000).

The investment return and application of total return to income and to the permanent endowment fund is analysed below:

	2021	2020
	£	£
Opening value of endowment	368,811	364,438
Opening value of unapplied total return 1 January	202,726	217,722
Add:		
Investment return: income	20,687	10,612
Investment return: unrealised gain on investment	99,955	4,628
Investment return: realised gain on investment	-	64,137
	<hr/>	<hr/>
Unapplied total return before transfers to income	323,368	297,099
Less:		
Unapplied total return applied to income	(92,000)	(90,000)
Unapplied total return applied to endowment value	(7,007)	(4,373)
	<hr/>	<hr/>
Unapplied total return as at 31 December	224,361	217,722
Value of endowment as at 31 December	375,818	368,811
	<hr/>	<hr/>
Permanent endowment including unapplied total return as at 31 December	600,179	571,537
	<hr/> <hr/>	<hr/> <hr/>

THE LUKE TRUST

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2021

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Permanent endowment funds £	Total funds 2021 £
Fixed asset investments	204,404	600,179	804,583
Current assets	-	-	-
Creditors due within the year	(142,993)	-	(142,993)
	<u>61,411</u>	<u>600,179</u>	<u>661,590</u>
	=====	=====	=====
	Unrestricted general funds £	Permanent endowment funds £	Total funds 2020 £
Fixed asset investments	133,091	571,537	704,628
Current assets	2,570	-	2,570
Creditors due within the year	(85,713)	-	(85,713)
	<u>49,948</u>	<u>571,537</u>	<u>621,485</u>
	=====	=====	=====

The total unrealised gains as at 31 December 2021 constitute movements on revaluation of investments and are as follows:

	2021 £	2020 £
Unrealised gain at 1 January	4,628	(13,772)
Less: in respect of disposal in the year	-	13,772
Add: net gains arising on revaluation in the year	99,955	4,628
	<u>104,583</u>	<u>4,628</u>
	=====	=====

THE LUKE TRUST

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2021

10 RELATED PARTIES

The charity is deemed to be a subsidiary of the National Churches Trust (Charity Registration No. 1119845 and Company Registration No. 06265201 (England and Wales)) as the National Churches Trust is the charity's sole trustee.

The National Churches Trust's place of business is 7 Tufton Street, London, SW1P 3QB and its principal purpose is to promote the conservation of churches in the United Kingdom. The National Churches Trust's consolidated accounts (which include The Luke Trust's accounts) are filed with the Charity Commission.

There were no other related party transactions requiring disclosure (2020 – none).