

THE LORD AUSTIN TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2017
Registered charity number: 208394

THE LORD AUSTIN TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE LORD AUSTIN TRUST
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Trustees:	Rodney Spencer Kettel James Michael Grindall Fea (Retired 21 April 2016) Anthony Neil Andrews Keith Matthew Dudley (Appointed 21 April 2016)
Principal office:	ShakespeareMartineau No 1 Colmore Square Birmingham B4 6AA
Bankers:	HSBC Bank Plc PO Box 68 130 New Street Birmingham B2 4JU
Independent Examiner:	Mike Huggins RSM UK Tax and Accounting Limited Chartered Accountants St Philips Point Temple Row Birmingham B2 5AF
Investment Managers:	Rathbone Investment Management Limited 1 Curzon Street London W1J 5FB
Solicitors:	ShakespeareMartineau No 1 Colmore Square Birmingham B4 6AA
Registered charity number:	208394

THE LORD AUSTIN TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees of The Lord Austin Trust (The Charity) present their annual report and the financial statements for the year ended 31 March 2017.

OBJECTIVES AND ACTIVITIES OF THE TRUST

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.

MANAGEMENT AND GOVERNANCE ARRANGEMENTS

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.

PROCEDURES AND POLICY FOR GRANT MAKING

The Trustees normally meet biannually to consider which grants they will award 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.

THE LORD AUSTIN TRUST
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

ACHIEVEMENTS AND PERFORMANCE OF THE CHARITY

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 and other income during the year of £109,354 (2016: £103,211). The Trustees made 75 donations amounting to £97,500 (2016: £79,000 – 64 donations) to a wide range of causes. The net decrease in resources for the year amounted to £5,464 (2016: Increase £1,852) before taking into account net gain on investments and investment property for the year of £432,872 (2016: Loss £155,090). Total funds have increased from £3,385,061 to £3,812,469 (2016: reduced from £3,538,299 to £3,385,061).

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 Trust's 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 2017 were £3,812,469 (2016: £3,385,061) 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 Trust can continue its grant making activities in future.

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.

THE LORD AUSTIN TRUST
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to Charities in England & 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 period. 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 Charity 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 discussed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

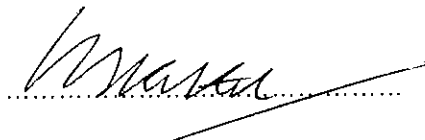
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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.

INDEPENDENT EXAMINER

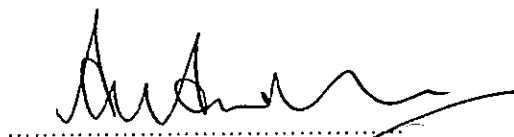
The Trustees have appointed Mike Huggins of RSM UK Tax and Accounting Limited as Independent Examiner to the Charity.

Approved by the Trustees on 6 November 2017 and signed on their behalf by: -

R S Kettel



A N Andrews



THE LORD AUSTIN TRUST
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of The Lord Austin Trust for the year ended 31 March 2017, which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

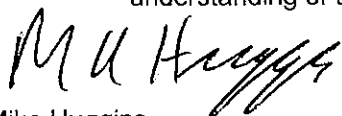
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mike Huggins
ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

6 November

2017

THE LORD AUSTIN TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds Total 2017 £	Unrestricted Funds Total 2016 £
Income and endowments			
Investment income	2	109,354	80,711
Other income	3	-	22,500
Total Income		109,354	103,211
Expenditure			
Charitable activities	5	114,818	101,359
Total Expenditure		114,818	101,359
Net Income/(expenditure) and net movement in funds before gains and losses on investments		(5,464)	1,852
Realised gain/(loss) on disposals of investments		135	(1,061)
Unrealised gain/(loss) on revaluation of investments	9	443,561	(154,029)
Loss on disposal of investment property	8	(10,824)	-
Net movement in funds after gains and losses on investments		427,408	(153,238)
Net movement in funds		427,408	(153,238)
Total funds brought forward 1 April		3,385,061	3,386,865
Total funds carried forward 31 March		3,812,469	3,385,061

All activities relate to continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

These unaudited financial statements have been subject to independent examination. See report on page 5.

THE LORD AUSTIN TRUST

BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Note	£	£	£	£
Fixed assets					
Investment property	8		-		160,000
Investments	9		3,712,348		3,143,758
			<u>3,712,348</u>		<u>3,303,758</u>
Current assets					
Debtors	10	24,701		17,650	
Cash at bank and in hand	11	85,920		80,302	
		<u>110,621</u>		<u>97,952</u>	
Creditors					
Amounts falling due within one year	12	<u>(10,500)</u>		<u>(16,649)</u>	
Net current assets			100,121		81,303
Total assets less current liabilities			<u>3,812,469</u>		<u>3,385,061</u>
The funds of the Charity:					
Unrestricted funds	14		3,812,469		3,385,061
Total Charity Funds			<u>3,812,469</u>		<u>3,385,061</u>

These financial statements were approved and authorised for issue by the Trustees on 6 November 2017 and signed on their behalf by:

R S Kettel

A N Andrews

The notes on pages 8 to 14 form part of these financial statements

These unaudited financial statements have been subject to independent examination. See report on page 5.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

a. General Information

The Lord Austin Trust is a charitable Trust registered in England.

The address of the Charity's registered office is ShakespeareMartineau, No 1 Colmore Square, Birmingham, B4 6AA.

The amounts shown in the financial statements are presented in Sterling and rounded to the nearest whole £.

b. Basis of accounting

The accounts (financial statements) 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. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

c. Going concern

The financial statements have been prepared on a going concern basis. The trustees consider that the charity has adequate funds to meet anticipated future objectives.

d. Fund accounting

Funds are unrestricted and are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

e. Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

f. Expenditure

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.

Raising funds consist of investment management costs and certain legal fees.

Charitable activities include grants made and governance costs.

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

g. Investments

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 price. The statement of financial activities includes the net 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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

h. Charitable donations

Charitable donations are accounted for in the Statement of Financial Activities when they are paid or when they are unconditionally granted.

i. Investment property

The investment property is initially measured at cost and subsequently held at the Trustee's estimated fair value. The investment property was disposed of during the year.

j. 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.

k. Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate at the balance sheet date. All exchange differences are recognised through the statement of financial activities.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

l. Cash and cash equivalents

Cash and bank balances include cash at bank and in hand.

m. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

n. Debtors

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

o. Creditors and liabilities

Creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Trust to pay out resources.

p. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

With respect to the next reporting period, 2017-18, 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).

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

2. INCOMING RESOURCES

Investment Income

	Total Unrestricted Funds 2017 £	Total Unrestricted Funds 2016 £
Dividends	109,354	80,711
	<u>109,354</u>	<u>80,711</u>

3. OTHER INCOME

	Total Unrestricted Funds 2017 £	Total Unrestricted Funds 2016 £
Dilapidations settlement	-	22,500
	<u>-</u>	<u>22,500</u>

4. RAISING FUNDS

The investment management costs for Rathbone Investment Management Limited are 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 period to 31 March 2017 were £16,617 (2016: £15,835).

5. CHARITABLE ACTIVITIES

Charitable Donations	Number	Total Unrestricted Funds 2017 £	Number	Total Unrestricted Funds 2016 £
Donations paid	75	97,500	64	79,000
		<u>97,500</u>		<u>79,000</u>

The following grants were made to institutions:

	Total Unrestricted Funds 2017 £	Total Unrestricted Funds 2016 £
Children and young people	31,000	22,500
The elderly	6,000	7,000
Medical	26,500	24,500
Miscellaneous	34,000	25,000
Total grants to institutions	<u>97,500</u>	<u>79,000</u>

Governance Costs

R S Kettel – Trustee expenses	218	-
Accountancy fees	5,640	4,990
Independent examiner's fees	3,300	2,990
ShakespeareMartineau fees	8,160	10,501
Sundry Costs	-	3,878
Total charitable expenditure	<u>114,818</u>	<u>101,359</u>

These unaudited financial statements have been subject to independent examination. See report on page 5.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

6. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:	2017	2016
	£	£
Accountancy fees	5,640	4,990
Independent examiner's fees	3,300	2,990
	<hr/>	<hr/>

7. TRUSTEES REMUNERATION AND EMPLOYEES

The Trustees received no remuneration during the year (2016: £nil). Trustee expenses of £218 (2016: £nil) were paid to R S Kettel for reimbursement of costs.

There were no employees of the trust during the year (2016: nil).

The Trust considers its key management personnel comprise the trustees who received no remuneration during the year (2016: £nil).

8. INVESTMENT PROPERTIES

	Freehold investment property £
Valuation	
As at 1 April 2016	160,000
Disposal	(160,000)
	<hr/>
As at 31 March 2017	<hr/> - <hr/>

The freehold investment property was disposed of at market value of £160,000 during the year. The loss on disposal of £10,824 relates to legal and professional fees in relation to the disposal.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

9. FIXED ASSET INVESTMENTS

Listed Securities

	2017	2016
	£	£
Fair Value		
At 1 April 2016	3,143,758	3,312,933
Additions	146,300	-
Disposals	(21,407)	(14,085)
Unrealised gain/(loss)	443,561	(154,029)
Realised gain	135	(1,061)
	<u>3,712,348</u>	<u>3,143,758</u>
At 31 March 2017	<u>3,712,348</u>	<u>3,143,758</u>
Historical Cost	<u>3,018,540</u>	<u>2,891,807</u>

Investments at fair value comprise:-

	2017	2016
	£	£
Listed investments:		
Funds	3,712,348	3,143,758
	<u>3,712,348</u>	<u>3,143,758</u>
Total investments	<u>3,712,348</u>	<u>3,143,758</u>

Material investments

	2017	2016
	£	£
Investments which exceed 5% of the portfolio's market value are:		
2,833,087 Rathbone Unit Trust Management	3,566,573	3,143,758
	<u>3,566,573</u>	<u>3,143,758</u>
Total investments	<u>3,566,573</u>	<u>3,143,758</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). All investments related to unrestricted funds in both 2017 and 2016.

10. DEBTORS

	2017	2016
	£	£
Due within one year		
Other debtors	3,403	1,390
Accrued income	21,298	16,260
	<u>24,701</u>	<u>17,650</u>

Other debtors related to unrestricted funds in both 2017 and 2016. Accrued income relates to unrestricted funds in both 2017 and 2016.

These unaudited financial statements have been subject to independent examination. See report on page 5.

THE LORD AUSTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2017

11. CASH AT BANK AND IN HAND

	2017 £	2016 £
Current accounts	<u>85,920</u>	<u>80,302</u>

Cash at bank and in hand related to unrestricted funds in both 2017 and 2016.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Rathbone Capital Account	-	7,409
Accountants	8,100	6,960
Legal fees	2,400	2,280
	<u>10,500</u>	<u>16,649</u>

All creditors in 2017 and 2016 relate to unrestricted funds.

13. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets:		
Debt instruments measured at amortised cost	2,629	17,650
	<u>2,629</u>	<u>17,650</u>
Financial liabilities:		
Measured at amortised cost	10,500	16,649
	<u>10,500</u>	<u>16,649</u>

14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Other Recognised Gains £	Carried Forward £
Unrestricted Funds	3,385,061	109,354	(114,818)	432 872	3,812,469
Total of Funds	<u>3,385,061</u>	<u>109,354</u>	<u>(114,818)</u>	<u>432 872</u>	<u>3,812,469</u>

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

15. RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the year (2016: None).
 These unaudited financial statements have been subject to independent examination. See report on page 5.