

Charity Registration No. SC002224 (Scotland)

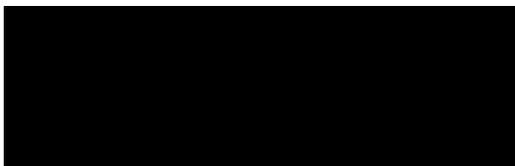
A E H SALVESEN'S 1985 CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021



A E H SALVESEN'S 1985 CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees



Charity number (Scotland)

SC002224

Principal address

Murray Beith Murray WS
3 Glenfinlas Street
Edinburgh
EH3 6AQ

Independent Auditor

Saffery Champness LLP
Chartered Accountants
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Solicitors

Murray Beith Murray
3 Glenfinlas Street
Edinburgh
EH3 6AQ

Investment advisors

Rathbones Investment Management Ltd
28 St Andrew Square
Edinburgh
EH2 1AF

A E H SALVESEN'S 1985 CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 4
Auditor's Report	5 - 8
Statement of financial activities	9 - 10
Balance Sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

A E H SALVESEN'S 1985 CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees present their report and financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The Charity's objects are established in its Constitution, and these are such charitable purposes as the Trustees may determine at their sole discretion.

To these ends, the Charity awards grants to eligible institutions ranging from £500 to £10,000 (exceptionally the Charity may award a greater sum). The grants are intended to help these institutions provide tangible benefits to such beneficiary groups as the Trustees may deem appropriate. The charity also invests strategically in companies whose activities the Trustees deem complementary to those of the Charity.

The Trustees monitor the performance of each institution supported by the Charity. Where appropriate, the Charity may require institutions that receive grants to provide a copy of their Annual Report and Accounts to facilitate the consideration of support in future years. Other beneficiaries are obliged to demonstrate progress against agreed objectives to facilitate further support.

To sustain the Charity's activities, the Trustees maintain an endowment fund, the income from which is used to finance the Charity's grant-making activities.

Achievements and performance

In this reporting period, the charity awarded grants or undertakings to 13 institutions worth a total of £2,180,000 (2020: 5 grants worth £1,080,000). Of particular note was a grant of £825,000 to The Salvesen Mindroom Centre, £225,000 to Edinburgh University Mindroom Research Centre and £1,000,000 to The Dovecot Foundation. The grants were awarded to finance such activities as those institutions receiving funds deemed appropriate.

A E H SALVESEN'S 1985 CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial review

The financial statements, presented overleaf, show that the Charity's gross income amounted to £93,343 in this reporting period and it was wholly composed of investment income generated by the endowment fund (2020: £64,110).

Gross expenditure from unrestricted funds amounted to £93,343 (2020: £64,111) and was composed thus:

Grants	£80,976
Support and Governance Costs	£12,367
Total	£93,343

The value of the Charity's endowment fund stood at £7,132,810 at the end of this reporting period (2020: £4,813,027).

Additions to the Charity's endowment fund amounted to £216,800 (2020: £349,888), and consisted of 40,000 shares in Independent Investment Trust gifted by [REDACTED]

The costs of administering the Charity's endowment fund amounted to £7,956 (2020: £8,089) and was composed completely of investment management fees.

Unrestricted Reserves Policy

The Charity's reserves at the end of this reporting period stood at £nil (2020: £nil).

The Trustees generally seek to apply the whole free income of the Charity, making reasonable provision for professional fees and outlays where appropriate.

Investment Policy

The Trustees have instructed Rathbones Investment Management Ltd to manage the Charity's investment funds on a discretionary basis. The Trustees have advised that they are prepared to accept a very high level of investment risk. Rathbones Investment Management Ltd are instructed to seek return orientated toward capital growth at the expense of income.

The Trustees have noted the investment performance but acknowledged the difficult market conditions during the year.

A E H SALVESEN'S 1985 CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Risk Management

The Trustees have considered the risks to which the Charity is exposed. These relate in the main to investment management and therefore the Trustees have employed an investment manager to advise them. Another risk to which the Charity is exposed is fraud. However, the Trustees consider that the process of application for donations made by the Trust reduces this risk.

The Trustees protect against the risk of financial mismanagement by the appointment of Solicitors, who are bound by the Law Society of Scotland Solicitors' Accounts Rules in relation to their client monies, to carry out the day to day administration of the Trust in compliance with regulations governing the Charities.

Covid-19

In March 2020, the World Health Organisation declared COVID-19 a pandemic. The trustees have considered the impact of the COVID-19 on the Charity and have concluded that any adverse effect will be relatively low.

The trustees do not consider that the COVID-19 pandemic will affect the Charity's ability to continue as a going concern.

Plans for Future

The Trustees intend to continue making donations in a similar way to the recent past, retaining flexibility on the scale of donations.

Structure, governance and management

The Trust is an unincorporated Trust constituted by Deed of Trust by Alastair Eric Hotson Salvesen CBE dated 6 March 1985 and registered in the Books of Council and Session on 15 March 1985.

The trustees who served during the year and up to the date of signature of the financial statements were:



Trustees are assumed (and resign) with the consent of the existing Trustees, under Section 3 of the Trusts (Scotland) Act 1921. The Trustees may never be less than two in number.

On appointment new Trustees are provided with copies of Trust Accounts and a summary of the history of the Trust. The Trustees are made aware of their ongoing responsibilities and any changes in legislation.

The Charity neither remunerates the Trustees nor reimburses the Trustees for any incidental expenses incurred in the discharge of their statutory duties.

A E H SALVESEN'S 1985 CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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).

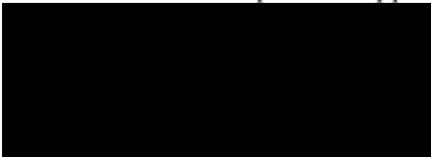
The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 trustees' report was approved by the Board of Trustees.


Trustee
Dated: 19 May 2022

A E H SALVESEN'S 1985 CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF A E H SALVESEN'S 1985 CHARITABLE TRUST

Opinion

We have audited the financial statements of A E H Salvesen's Charitable Trust for the year ended 30 September 2021 which comprise statement of financial activities, 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 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 30 September 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 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 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 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.

A E H SALVESEN'S 1985 CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF A E H SALVESEN'S 1985 CHARITABLE TRUST

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Accounts (Scotland) Regulations 2006 (as amended) require 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' report; or
- 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 4, 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.

A E H SALVESEN'S 1985 CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF A E H SALVESEN'S 1985 CHARITABLE TRUST

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

A E H SALVESEN'S 1985 CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF A E H SALVESEN'S 1985 CHARITABLE TRUST

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP

19 May 2022

Chartered Accountants
Statutory Auditor

Chartered Accountants
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Saffery Champness LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

A E H SALVESEN'S 1985 CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	-	216,800.00	216,800.00	349,888.00
Investments	4	93,343.30	-	93,343.30	64,110.66
Total income and endowments		93,343.30	216,800.00	310,143.30	413,998.66
Expenditure on:					
Raising funds	5	-	7,955.69	7,955.69	8,088.94
Charitable activities	6	93,343.30	2,103,168.70	2,196,512.00	1,092,804.00
Total resources expended		93,343.30	2,111,124.39	2,204,467.69	1,100,892.94
Net gains/(losses) on investments	11	-	4,214,107.62	4,214,107.62	(3,821,410.40)
Net movement in funds		-	2,319,783.23	2,319,783.23	(4,508,304.68)
Fund balances at 1 October 2020		-	4,813,026.58	4,813,026.58	9,321,331.26
Fund balances at 30 September 2021		-	7,132,809.81	7,132,809.81	4,813,026.58

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

A E H SALVESEN'S 1985 CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Prior financial year

	Notes	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:				
Donations and legacies	3	-	349,888.00	349,888.00
Investments	4	64,110.66	-	64,110.66
Total income and endowments		64,110.66	349,888.00	413,998.66
Expenditure on:				
Raising funds	5	-	8,088.94	8,088.94
Charitable activities	6	64,110.66	1,028,693.34	1,092,804.00
Total resources expended		64,110.66	1,036,782.28	1,100,892.94
Net gains/(losses) on investments	11	-	(3,821,410.40)	(3,821,410.40)
Net movement in funds		-	(4,508,304.68)	(4,508,304.68)
Fund balances at 1 October 2019		-	9,321,331.26	9,321,331.26
Fund balances at 30 September 2020		-	4,813,026.58	4,813,026.58

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

A E H SALVESEN'S 1985 CHARITABLE TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investments	12		7,018,969.61		4,720,018.62
Current assets					
Debtors	13	2,515.61		46,285.60	
Cash at bank and in hand	19	129,444.48		61,076.80	
			<u>131,960.09</u>		<u>107,362.40</u>
Creditors: amounts falling due within one year	14	<u>(18,119.89)</u>		<u>(14,354.44)</u>	
Net current assets			113,840.20		93,007.96
Total assets less current liabilities			<u>7,132,809.81</u>		<u>4,813,026.58</u>
Capital funds					
Endowment funds - general			7,132,809.81		4,813,026.58
Income funds					
Unrestricted funds			-		-
			<u>7,132,809.81</u>		<u>4,813,026.58</u>

The financial statements were approved by the Trustees on 19 May 2022

Trustee

A E H SALVESEN'S 1985 CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	18	(1,940,132.25)		(707,407.76)	
Investing activities					
Purchase of investments		(5,066,800.00)		(375,271.17)	
Proceeds on disposal of investments		6,981,956.27		511,500.08	
Interest received		93,343.30		64,110.66	
Net cash generated from investing activities		<u>2,008,499.57</u>		<u>200,339.57</u>	
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			<u>68,367.32</u>		<u>(507,068.19)</u>
Cash and cash equivalents at beginning of year			61,076.80		568,144.99
Cash and cash equivalents at end of year			<u><u>129,444.48</u></u>		<u><u>61,076.80</u></u>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Trust Deed 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)" (as amended for accounting periods commencing from 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The endowment fund represents the principal sum settled to the Trust, which the Trustees have invested in accordance with the powers conferred to them by the Trust Deed for the benefit of the future beneficiaries; the Trust Deed confers on the Trustees the power to apply such funds for charitable purposes at any time and may do so at their sole discretion. The Trustees apply the unrestricted income of the Trust for the benefit of current beneficiaries in accordance with their policy for donations.

The financial statements are prepared in sterling, which is the functional currency of the Charity.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 Incoming resources

Income is recognised when:

- the Charity becomes entitled to the resources;
- it is probable that the Trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability

Grants and Donations are recognised when the Charity has unconditional entitlement to the resources.

Tax reclaims on donations are included at the same time as the gift to which they relate.

Investment gains and losses include any gain or loss on the sale of investments, (proceeds less purchase cost if purchased in the year or market value at the end of the preceding year) and any gain or loss resulting from revaluing investments to market value at the end of the year.

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to pay out resources, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Cost of raising funds includes all aspects of Investment Management costs.

Support costs are the direct costs associated with administering grants and other support costs in relation to the administration of the Charity in general and include governance costs which include costs of the preparation and examination of the statutory accounts, the costs of Trustees' meeting and cost of any legal advice to Trustees on governance or constitutional matters. Direct support costs are allocated to grants awarded on an ad valorem basis.

Grants with performance is where the Charity gives a grant with conditions for its payment being a specific level of service or conditions output to be provided, such grants are only recognised once the receipt of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when the a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charity.

1.6 Fixed asset investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at Trustees' best estimate of market value.

Basic financial assets

The Charity has only basic financial assets and liabilities comprising investments, income debtors, cash at bank and creditors for support and governance costs. These assets and liabilities are initially recorded at cost and subsequently at market value in the case of investments and in respect of other asset and liabilities at the amounts expected to be received or paid.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Donations and legacies

	Endowment funds general 2021 £	Total 2020 £
Donations and gifts	216,800.00	349,888.00
Donations and gifts		
Aggreko Shares gifted by Alastair Salvesen	-	349,888.00
Independent Investment Trust Shares gifted by Alastair Salvesen	216,800.00	-
	<u>216,800.00</u>	<u>349,888.00</u>

4 Investments

	Unrestricted funds 2021 £	Total 2020 £
Income from listed investments	93,327.02	63,458.64
Interest receivable	16.28	652.02
	<u>93,343.30</u>	<u>64,110.66</u>

5 Raising funds

	Endowment funds general 2021 £	Total 2020 £
Investment management	7,955.69	8,088.94
	<u>7,955.69</u>	<u>8,088.94</u>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Charitable activities

	General	Education	Religion	Arts	Health	Relief of those in need	Environmental Protection	Other	Total 2021	Total 2020
	£	£	£	£	£	£	£	£	£	£
Grant funding of activities (see note 7)	-	2,094,261.67	2,000.00	25,000.00	1,000.00	26,000.00	31,738.33		2,180,000.00	1,080,000.00
Share of support costs (see note 8)	7,687.32	3,897.52	3.80	47.53	1.90	49.43	144.50		11,832.00	6,894.00
Share of governance costs (see note 8)	4,680.00	-	-	-	-	-	-		4,680.00	5,910.00
	<u>12,367.32</u>	<u>2,098,159.19</u>	<u>2,003.80</u>	<u>25,047.53</u>	<u>1,001.90</u>	<u>26,049.43</u>	<u>31,882.83</u>		<u>2,196,512.00</u>	<u>1,092,804.00</u>
Analysis by fund										
Unrestricted funds	12,367.32	-	2,003.80	25,047.53	1,001.90	21,039.92	31,882.83		93,343.30	
Endowment funds - general	-	2,098,159.19	-	-	-	5,009.51	-		2,103,168.70	
	<u>12,367.32</u>	<u>2,098,159.19</u>	<u>2,003.80</u>	<u>25,047.53</u>	<u>1,001.90</u>	<u>26,049.43</u>	<u>31,882.83</u>		<u>2,196,512.00</u>	
For the year ended 30 September 2020										
Unrestricted funds	11,500.08	52,610.58	-	-	-	-	-			64,110.66
Endowment funds - general	-	978,632.98	-	25,030.18	-	-	25,030.18			1,028,693.34
	<u>11,500.08</u>	<u>1,031,243.56</u>	<u>-</u>	<u>25,030.18</u>	<u>-</u>	<u>-</u>	<u>25,030.18</u>			<u>1,092,804.00</u>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7	Grants payable	Education Religion		Health Relief of those in need		Environmental Protection	Total	Total
		2021	2020	2021	2020	2021	2020	
		£	£	£	£	£	£	£
	Humbie Parish Church	-	1,000.00	-	-	-	1,000.00	-
	Salvesen Mindroom Centre	825,000.00	-	-	-	-	825,000.00	525,000.00
	Prostate Cancer Charity	-	-	1,000.00	-	-	1,000.00	-
	Royal Scottish Agricultural Benevolent Fund	-	-	-	1,000.00	-	1,000.00	-
	Scottish Opera	-	-	25,000.00	-	-	25,000.00	25,000.00
	Songbird Survival	-	-	-	-	1,000.00	1,000.00	-
	St Giles Cathedral	-	1,000.00	-	-	-	1,000.00	-
	The Dovecot Foundation	1,000,000.00	-	-	-	-	1,000,000.00	80,000.00
	The Game and Wildlife Conservation Trust	-	-	-	-	60,000.00	60,000.00	-
	Fet-Lor Youth Club	-	-	-25,000.00	-	-	25,000.00	-
	Royal Highland and Agricultural Society	-	-	-	-	10,000.00	10,000.00	25,000.00
	Edinburgh University Mindroom Research Centre	225,000.00	-	-	-	-	225,000.00	425,000.00
	Royal Scottish Forestry	-	-	-	-	5,000.00	5,000.00	-
		2,050,000.00	2,000.00	26,000.00	26,000.00	76,000.00	2,180,000.00	1,080,000.00

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Support costs	Support costs £	Governance costs £	2021 £	2020 £
Murray Beith Murray General Fees	11,832.00	-	11,832.00	6,894.00
Saffery Champness Audit Fees	-	4,680.00	4,680.00	5,910.00
	<u>11,832.00</u>	<u>4,680.00</u>	<u>16,512.00</u>	<u>12,804.00</u>
Analysed between Charitable activities	<u>11,832.00</u>	<u>4,680.00</u>	<u>16,512.00</u>	<u>12,804.00</u>

Governance costs includes payments to the auditors of £4,680 (2020- £5,910) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

10 Employees

There were no employees during the year.

11 Net gains/(losses) on investments

	Endowment funds general 2021 £	Total 2020 £
Revaluation of investments	318,283.61	(3,502,584.50)
Gain/(loss) on sale of investments	3,895,824.01	(318,825.90)
	<u>4,214,107.62</u>	<u>(3,821,410.40)</u>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2020	4,720,018.62
Additions	5,066,800.00
Realised Gain	3,895,824.01
Unrealised Gain	318,283.61
Disposals	(6,981,956.63)
	<hr/>
At 30 September 2021	7,018,969.61
	<hr/>
Carrying amount	
At 30 September 2021	7,018,969.61
	<hr/> <hr/>
At 30 September 2020	4,720,018.62
	<hr/> <hr/>
Historic Cost of investment as at 30 September 2021	5,764,621.44
	<hr/> <hr/>
Historic Cost of investment as at 30 September 2020	8,955,857.91
	<hr/> <hr/>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Fixed asset investments

(Continued)

In contrast to 2020 being the year of the virus, 2021 has very much been the year of the vaccine. As billions of jabs entered arms, it has allowed the world economy to reopen and GDP growth to pick up. Against this backdrop we have seen unemployment fall and the stock market rise as many companies hit hard by the pandemic start to approach 2019 levels of normality. That being said, social distancing and the “pingdemic” has kept supply constrained, leading to levels of wage and price inflation not seen for at least a decade. Although inflation has at times unsettled parts of the market, these trends may long term still be beneficial for the economy.

In the portfolio, the biggest news was the takeover of Aggreko by private equity firms I-Squared Capital and TDR Capital, an all cash offer valuing the business at £2.3bn. The takeover price of 880p, represented a 39% premium to the share price at the time, given the relative size of the position of Aggreko in the portfolio this was the main contributor to performance. Following the takeover the proceeds were withdrawn from the Rathbones’ portfolio, meaning that the portfolio is now significantly smaller than previously. £4,850,000 of the Aggreko takeover proceeds were invested in additional units in the Teal Fund Widgeon Fund, an Open Ended Investment Company managed by Rossie House Investment Management.

The performance of the remaining investments has also been pleasing. Scottish Mortgage, which is now the largest holding, backed up its’ stellar 2020 with a solid year. Despite their “disruptive growth” philosophy being out of favour the fact that the trust returned over 15% in the first 9 months of the year speaks to the quality of the management team. UK equities have had a better time of it over the past 12 months, having lagged global equities over recent years. Against this backdrop Temple Bar was the best performing investment trust in the portfolio, with new managers’ RWC starting off well.

	2021	2020
	£	£
Investments greater than 5% of portfolio comprised:		
Aggreko Plc	-	3,086,132.00
Teal Fund Widgeon Fund	5,917,956.00	936,900.00
Scottish Mortgage Investment Trust	522,648.00	-
	<u>6,440,604.00</u>	<u>4,023,032.00</u>
	<u><u>6,440,604.00</u></u>	<u><u>4,023,032.00</u></u>

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
XD Dividends	2,515.61	46,285.60
	<u>2,515.61</u>	<u>46,285.60</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Rathbones Investment Management Fees	2,309.89	1,694.44
Murray Beith Murray Fees	6,690.00	2,400.00
Audit Fees	9,120.00	10,260.00
	<u>18,119.89</u>	<u>14,354.44</u>

15 Analysis of net assets between funds

	Unrestricted Funds		Endowment Funds	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Fund balances at 30 September 2021 are represented by:					
Investments	-	7,018,969.61	7,018,969.61	4,720,018.62	
Current assets/(liabilities)	-	113,840.20	113,840.20	93,007.96	
		<u>- 7,132,809.81</u>	<u>7,132,809.81</u>	<u>4,813,026.58</u>	

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Events after the reporting date

The charity holds a listed investment portfolio with Rathbones which was carried at a year-end valuation of £1,015,612, as detailed in Note 12. Subsequent to the year-end, the valuation has decreased and the latest available valuation at the date the accounts were approved, 19 May 2022, gave a value of £717,567, a reduction from the year-end of £298,045.

The Charity also holds The Teal Fund which was carried at a year-end valuation of £5,917,817, as detailed in Note 12. Subsequent to the year-end, the valuation has decreased and the latest available valuation at the date the accounts were approved, 19 May 2022, gave a value of £5,023,785, a reduction from the year-end of £894,032.

17 Related party transactions

[REDACTED] is a Trustee, and a partner of Murray Beith Murray, whom the Charity has engaged to perform legal, general, accounts preparation, and other services.

	2021	2020
	£	£
Total Remuneration	11,832.00	6,078.00
	<u> </u>	<u> </u>

In this reporting period [REDACTED] gifted shares with a value of £216,800 to the charity (2020: £349,888).

[REDACTED] are Trustees and Directors of The Dovecot Foundation, a beneficiary of the Charity. Payments to Dovecot during the year amounted to £1,000,000.

[REDACTED] is a Trustee and a Director of The Salvesen Mindroom Centre, a beneficiary of the Charity. Donation to The Salvesen Mindroom Centre during the year amounted to £825,000.

[REDACTED] is a Trustee and a Director of Fet-Lor Youth Club, a beneficiary of the Charity. Donation to Fet-Lor Youth Club during the year amounted to £25,000.

A E H SALVESEN'S 1985 CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18	Cash generated from operations	2021	2020
		£	£
	Surplus/(deficit) for the year	2,319,783.23	(4,508,304.68)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(93,343.30)	(64,110.66)
	(Gain)/loss on disposal of investments	(3,895,824.01)	318,825.90
	Fair value gains and losses on investments	(318,283.61)	3,502,584.50
	Movements in working capital:		
	Decrease in debtors	43,769.99	39,605.88
	Increase in creditors	3,765.45	3,991.30
	Cash absorbed by operations	(1,940,132.25)	(707,407.76)
19	Cash and Cash Equivalents		
		2021	2020
	Endowment funds permanent		
	£	£	£
	Cash held by Rathbones Investment Management	11,006.70	2,783.00
	Cash held by Murray Beith Murray	111,653.32	58,293.80
		122,660.02	61,076.80
		122,660.02	61,076.80