

Company number: 00383775

Registered charity number: 314210

THE HISPANIC AND LUSO BRAZILIAN COUNCIL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE HISPANIC AND LUSO BRAZILIAN COUNCIL
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THE HISPANIC AND LUSO BRAZILIAN COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
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ADMINISTRATIVE AND STATUTORY DETAILS

Board of Trustees	Nicholas McCall (Chair) Alan Charlton Carla McRoberts Irene Mia Hugo Shorter Rodolfo Milesi Vitoria Nabas Ed Poulton Gui Silva Ezequiel Weppler Marcial Echenique Marcelo Scenna
Chief Executive Officer & Secretary	Cristina Cortes
Company registration number	00383775
Charity registration number	314210
Registered office	126 Wigmore Street London W1U 3RZ
Accountants	Simpson Wreford LLP Wellesley House Duke of Wellington Avenue Royal Arsenal London SE18 6SS
Auditors	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Solicitors	Collyer Bristow LLP 4 Bedford Row London WC1R 4TF
Investment Managers	Smith & Williamson Investment Management LLP 25 Moorgate London EC2R 6AY

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their report and audited financial statements for the year ended 31 March 2021 which have been prepared in accordance with accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Reference and administrative information

The Hispanic and Luso Brazilian Council is a charitable company, limited by guarantee, and was registered in May 1973 under company registration number 00383775 and charity registration number 314210. The organisation is an amalgamation of the two original councils registered in November 1943 as The Hispanic Council and the Luso Brazilian Council.

The Hispanic and Luso Brazilian Council uses the working name "Canning House" and the principal operating address is 126 Wigmore Street, London W1U 3RZ.

The Trustees, who are also directors, who served in the period were:

Nicholas McCall (Appointed 24 June 2020)	Alan Charlton
Carla McRoberts	Rory Miller (Resigned 24 March 2021)
Linda Newson (Resigned 24 March 2021)	Irene Mia
Hugo Shorter	Cho Khong
Joanna Crellin (Resigned 26 January 2021)	Rodolfo Milesi (Appointed 26 June 2020)
Vitoria Nabas (Appointed 26 June 2020)	Ed Poulton (Appointed 26 June 2020)
Gui Silva (Appointed 26 June 2020)	Ezequiel Wepler (Appointed 26 June 2020)
Marcial Echenique (Appointed 26 June 2020)	Marcelo Scenna (Appointed 26 January 2021)
Jonathan Knott (Appointed 27 th April 2021)	

The Charity was also supported by a number of honorary non-executive appointments, as follows:

Honorary President	Jeffrey Lord Mountevans
Honorary Vice-Presidents	Dr Enrique Garcia
	Baroness Hooper, CMG
	Sir Mark Moody-Stuart, KCMG
	The Rt Hon Michael Portillo
	Lord Brennan of Bibury, QC
	The Rt Hon Ken Clarke, QC MP
	Jeremy Browne
	Chris Bryant, MP
	Sally Unwin, OBE FCIB
	Prof Victor Bulmer-Thomas, CMG OBE
	Nestor Osorio
	Horacio Rossi

The Board of Trustees oversee the Charity, which is managed day to day by the Chief Executive Officer, Cristina Cortes, who was appointed to this role in April 2018.

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Governing document

The Hispanic and Luso Brazilian Council is a charitable company limited by guarantee and the governing document is the Memorandum and Articles of Association dated 9 November 1943, taken from The Hispanic Council, upon amalgamation.

Principal activities

The mission of the Charity is to be the UK's leading forum for informed comment, contacts and debate on Latin American politics, economics and business. It also celebrates and promotes awareness in the UK of the languages, culture and history of Latin America, Spain and Portugal. This is achieved through a comprehensive programme of corporate, current affairs and cultural events and publications.

Governing body

The governing body of the organisation is the Board of Trustees. The trustees are elected at the annual General Meeting (AGM) or in the interim are appointed to fill a casual vacancy and stand for election at the next AGM. One-third of the Trustees retire from office but are eligible for re-election at the AGM.

Corporate governance structures and procedures are well established and were further improved through the addition of a Nominations Committee in November 2016 for consideration of future Trustees, honorary Vice-Presidents and CEO appointments, and of a Remunerations Committee in July 2021 (see further below).

Trustee training

Potential trustees are identified by members of The Board and are considered first by the Nominations Committee against the criteria of eligibility, competence, experience, specialist skills and the objective of achieving diversity and balance on The Board. New trustees are normally familiar with Canning House through their work in business or public service, but full training is provided to all board members in order to assist them with their duties as Trustees.

Organisational management

The Board of Trustees are legally responsible for the overall strategic direction and control of the Organisation. The Board meets at least four times a year to track the performance of the Organisation against the annual budget, which is agreed by the Trustees at the beginning of the financial year. The Board also regularly reviews performance against the strategy, which focuses on the medium term (5 years).

The Board of Trustees delegates oversight of financial issues, risk governance and regulatory compliance to the Finance and General Purposes Committee, which also meets four times a year, prior to each board meeting. The Chair of the Finance and General Purposes Committee until March 2021 when he stood down from the Board was Rory Miller. Other members of the F&GP are Gui Silva, Ezequiel Wepler and Marcelo Scenna. The Chair, Nick McCall, also usually attends. Since March 2021, the Chair of the F&GP has been the Organisation's Head of Policy, Research & Operations (including Finance), Ian Perrin.

The day-to-day running of the Organisation is delegated to the Chief Executive Officer. The CEO attends meetings of The Board of Trustees, as well as the Finance and General Purposes Committee and the Remunerations Committee.

Staff remuneration

The remuneration of the CEO is set by The Board of Trustees; the appropriateness of the remuneration is set at the beginning of the individual's contract (including reference to comparisons with other charities) and performance is reviewed annually against pre-specified objectives and KPIs.

The remuneration of other charity staff is delegated to the CEO with the objective that they are, in a fair and responsible manner, rewarded for their individual contributions to the Charity's success, within the limits of the Charity's annually agreed budget. The Remunerations Committee also offers guidance and advice to the CEO on remuneration policies such as overall team and pay structure, the policies governed by the staff guidebook, including staff benefits (season ticket loans, health plans), and the team bonus policy.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Group structure

Canning House Limited (CHL) was formed in 1997 as a wholly owned trading subsidiary of the charitable company. The activities of CHL are focused primarily on corporate activity, including the organisation of conferences, seminars and events on the development of the political, economic and business environment of Latin America (these events are free to corporate members) – albeit many of the events are simultaneously of interest to a wider audience (who, unlike corporate members, usually have to pay to attend).

Owing to the absence of the corporate manager for nine months owing to a sudden onset of chronic illness, only one member of staff – corporate officer - was principally dedicated to corporate activities this financial year, with the efforts of other team members divided to various extents between corporate and strictly charitable activities. An approximate allocation of non-dedicated staff time is agreed annually with the auditors.

The entire net profit of CHL is donated annually to the parent company under a deed of covenant created on 11th December 2018. Conversely, in the event that CHL makes a financial loss, as in this financial year, under the terms of an ongoing letter of support dated 26th October 2020, the HLBC Trustees undertake to under-write CHL's activities for the current financial year ending 31 March 2021, and for all future years thereafter as necessary.

Stakeholder relationships and charitable activities

The Organisation works closely with the Latin American and Iberian Embassies and other UK, Latin American and multilateral organisations that exist to promote stakeholder relationships and related activities between the UK and specific Latin American countries. The Organisation regularly runs joint events with these organisations to showcase particular countries and issues. Representatives of these organisations regularly attend and speak at Canning House events. The Organisation also collaborates with UK universities with interests in Latin American research and studies; and with other charities and NGOs.

Risk management

The Board of Trustees and the Finance and General Purposes Committee (F&GP) have, over the current year, been focused on key financial risks to the organisation, and necessary mitigation measures.

Particular attention has been paid to the cash flow impact of the Covid-19 pandemic plus post-Brexit uncertainties on corporate membership income. The F&GP has also conducted and shared with the Board an in-depth review of the asset portfolio and its associated income stream, in the light of the Charity's future cash flow and investment needs.

STRATEGIC REPORT

Objectives of the Charity

The general aim of the Organisation is the advancement of knowledge in the UK of the culture, languages, history, politics, economics and business of the countries of Latin America while furthering the broad relationship between the UK and these countries. These objectives are achieved in a non-partisan manner.

Mission and strategic aims

The mission of the Organisation is to build understanding and relationships between the UK and Latin America. Its goal is to be the UK's leading forum for contacts, thought leadership and pragmatic debate on Latin American political, economic, health, environmental and social trends and issues, and business risks and opportunities. It also celebrates and promotes awareness in the UK of the languages, culture and history of Latin America and Iberia. The strategic aim is to do this in a financially sustainable manner.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's revised general guidance on public benefit when reviewing the Charity's aims and objectives as well as in planning future activities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Objectives for the year and the future

The Organisation's original objectives for the financial year were to:

- Support the mission by a full annual programme of events relevant to corporate and individual members, as well as to partners and stakeholders;
- Publish newsletters and in-depth reports and undertake research on the Region
- Maintain and seek to grow the Organisation's membership and revenue from fees, sponsorship and donations to achieve financial sustainability, whilst fulfilling its mission.

The first two objectives have been met in full, with excellent feedback from all the Organisation's stakeholders, as a result of which the Organisation's public reputation has been greatly enhanced. However, achievement of the third objective has been seriously hampered by a full year's impact of the Covid-19 pandemic – see next section – coming on top of an already diminishing corporate membership amid the distractions in the corporate world of the finalisation of Brexit.

Impact of Covid-19 Pandemic

As the 2019-20 financial year closed, the looming Covid-19 crisis had already led to the cancellation of our major conference "The Canning Agenda 10 Years On" and the annual Gala Dinner. The duration of the lockdown and its potential impact on corporate activity and income of the Organisation was at that stage as yet unclear.

The Organisation closed its offices in mid-March 2020 and the entire team started working full-time from home. No one was furloughed; we even managed to take on our Coventry secondment placement student for a year starting in July 2020, as usual. Two members of the team contracted Covid later in the year, but thankfully both recovered fully. As at October 2021, the team continues to work remotely and all our events continue to be held virtually. The eventual return to the office is expected to offer continued scope for home working, alongside office-days and out-of-office attendance at events. We are monitoring the rules very closely, as the currently leased office can no longer accommodate the entire team with any degree of social distancing.

All the Organisation's events were similarly transferred 100% online in March 2020 – including the Canning Agenda conference, which enjoyed the participation of UK Government Minister for International Trade Ranil Jayawardena as well as Lord Hague of Richmond. Technically the transfer to virtual events was managed seamlessly by our Events Manager, with the result that we held a total of 39 events in the course of the year, compared to 32 events the previous year. The unexpected upside was that our attendance numbers at least doubled and our audiences became truly international – with attendees not only from the UK but also from Latin America itself as well as from the USA, the EU, and even the Middle East and Asia. The downside was that, with our peer events organisers all holding their virtual events for free, we had to scrap our events fees completely. We did secure some sponsorship from the FCDO and CAF, for our Canning Agenda, Conversa and Sustainability events, but overall our events income collapsed.

In order to retain the greatly increased and international audiences the Organisation acquired during the pandemic, the vast majority of future events will be available for participation virtually as well as in person – i.e., hybrid events. However, for the latter to happen, even now that the government permits them, not only does the team have to be comfortable with the personal risks of running them, but we also have to be sure that sufficient attendees are likely to be comfortable attending to make the physical part of any hybrid audience feasible and therefore worthwhile. As at October 2021, the timing for the introduction of hybrid events remains unclear.

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Activities of the Charity

This year, in spite of the team all having to work from home and having to transfer all of our events online, we continued to offer all our usual information and report activities while still hosting a varied, topical and relevant programme of events. Our c.40 events included corporate events (webinars, briefings and trade and investment conferences and round tables) and public events (geopolitical and socio-economic). In the absence of Presidential visits to the UK (owing to the pandemic) flagship event highlights of the year were the Canning Agenda conference with UK Minister Ranil Jayawardena, our e-Conversa, and the launch of the 2nd edition of the CH LatAm Outlook; while, on the corporate side we initiated our Sustainable Development series in the one-year run-up to the postponed COP-26.

Achievements and Performance

For the financial year 2020-21, income from corporate membership decreased from £172k to just over £125k. The decrease in corporate membership income can be attributed to a fall in the number of corporate members. This was driven by two main factors. Firstly, the uncertainty caused by the Covid-19 pandemic resulted in the tightening of purse strings amongst existing and prospective corporate members. Secondly, Canning House was without a corporate manager for nine months owing to a sudden onset of chronic illness. Furthermore, ongoing Brexit uncertainties undoubtedly continued to have a dampening effect on the corporate response to the Organisation's membership drive.

Income from corporate memberships of £125k accounted for c.71% of annual gross non-investment income of £175k (down from £230k in 2019-20). Despite the fact that no physical events were held throughout the year, grants and sponsorship totalling £28k were received from the Foreign, Commonwealth and Development Office, and CAF Development Bank, contributing to the cost of the Sustainable Development Series. £3k also came in from individual membership subscriptions.

Core operating expenditure such as building rental costs and staff costs remained steady compared with the previous financial year. Despite the Covid-19 pandemic, rental discounts were refused by the office landlord. Large savings were made on the event costs, as all events that took place during the FY 2020-21 were hosted online. This resulted in a significant decrease of £76k on event costs compared with the previous financial year, as there were no large expenditures for catering, room or conference hire. However, overall operating expenses on charitable activities increased to £674k from £635k last financial year. This was primarily due to the start of the Canning House-LSE Research Forum, which will cost the Organisation up to £100k per annum (albeit the board had authorised these costs to be met from the endowment portfolio), and also owing to the transfer of £30k restricted funds to the Anglo-Argentine Society, which is now under their control.

In addition to operating income, Canning House's investment portfolio yielded gross dividend and interest income of £360k, down from £397k in 2019-2020 (see note 6). After deducting fund management fees, the net dividend and interest yield from the portfolio was £304k this year, compared to £323k the previous year; a fall of £19k.

The total operating loss before realised gains/losses for FY 2020-2021 stood at a loss of £194k, as opposed to a loss of £65k the previous financial year.

The realised losses on investments totalled £45k this year, compared to a loss of £215k the previous financial year, meaning that the total operating loss including realised gains/losses on investment stood at a loss of £239k this financial year, compared with a loss of £280k for the previous financial year.

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Corporate Events

The corporate events programme suffered an early loss of momentum with the unexpected and prolonged illness of our Corporate Manager. The first corporate event took place in June 2020, in partnership with Partner Member Control Risks, entitled ‘Operating in Brazil, Colombia & Mexico during the Covid-19 Pandemic’.

However, corporate events gained pace in the autumn, starting with the launch of a new series: Canning Conversations. Christopher Garnett, Principal Adviser to the Banco Centroamericano de Integración Económica (CABEI), chaired the first session in September, looking at ‘Travel & Tourism’, followed by a further two sessions: ‘Supply Chains’ in November and ‘Bond Markets’ in February 2021. Michael Stott, Latin American Editor for the Financial Times, launched the first of the more political-leaning Canning Conversations in March 2021 with ‘Comparing Latin America with Asia’.

A long-term collaboration with LatAm INVESTOR was upgraded to an events partnership with James McKeigue, Managing Editor, coordinating virtual events hosted by Canning House with the magazine’s publication schedule. The first event on ‘Mining’ took place in October 2020; this was followed by a ‘Coping with Coronavirus’ event for investors in December, and another in March 2021 on ‘Latin America and the Global Clean Energy Transition’. The partnership has worked very successfully to the benefit of both parties, and continued in July with a close look at Investment in Ecuador following the election of a pro-business government in the April elections.

In anticipation of the COP-26 conference in Glasgow, postponed to 2021 by the pandemic, Canning House, known already for its annual Renewable Energy event, launched its Sustainable Development series. The inaugural event in October 2020 was entitled ‘Adaptation and Resilience’. This was followed in December by ‘Sustainable Cities & Water’ with sponsorship from the FCDO and from Patron Member, CAF. The third event in the series, held in February jointly with our regular Renewable Energy Partner Eversheds Sutherland, again with sponsorship from the FCDO, addressed ‘The Energy Transition’.

The Sustainable Development series is ongoing, with a Biodiversity event chaired by H.E. Fiona Clouder, the UK Government’s COP-26 Ambassador for Latin America, and addressed by Sir Partha Dasgupta, author of the Treasury’s Economics of Biodiversity report; and a full suite of events including Sustainable Agribusiness and Green Finance, leading up to a major event entitled “Building back better: green finance and biodiversity mainstreaming for sustainable infrastructure” designed to coincide with COP-26 itself.

Other corporate events were the Finance conference in October 2020, held in collaboration with the City of London, and our second joint event with Control Risks, sharing the findings of their 2020 Capacity for Combatting Corruption Index.

Just after the close of the financial year, in April 2021, we completed the redesign and launch of a new corporate membership package, aimed at making it more competitive and more appealing to both UK and Latin American entities, while broadening our offer to also appeal to SMEs, pro-investment bodies, chambers of commerce, NGOs, universities and business schools. Streamlining from a three-tiered system to just two, we aimed for improved distinction between the offer for Canning Patron and Canning Partner, while introducing a discount for NGOs and academic institutions. With a view to continuing to stream all events even once a return to in-person events is feasible, a virtual option has been added to both Patron and Partner tiers, enabling Latin American entities to still enjoy full membership benefits without the additional cost included for in-person event attendance.

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Current Affairs, Culture & Communications

Canning House continued to update and inform its audiences about the most relevant current affairs through events, webinars, weekly newsletters, Canning Papers and regularly published blog posts.

Complementing our corporate and geopolitical events, Canning Papers were published on Migration, Trade Alliances and the Energy Transition. We also published a weekly blog by Andrew Thompson, a Canning House Associate Fellow, covering a wide variety of political, socioeconomic and business topics.

From April 2020 onwards, Canning House held regular webinars on Covid-19 in Latin America, updating our audience on the pandemic's impact on Latin America's health, economics and politics, and progress with the region's national and regional vaccine rollout programmes - with expert input from epidemiologists, and insights from representatives of the Pan-America Health Organisation and COVAX.

Canning House's role as Secretariat of the APPG for Latin America saw further collaboration on events and meetings, including Ambassadorial Briefings in partnership with the British Group of the Inter-Parliamentary Union (BGIPU); regional events moderated by APPG Chair, Mark Menzies MP; and support for Canning House events from the APPG in regular parliamentary notices. We also became Secretariat of the APPGs on Venezuela and Peru, offering our platform to host future initiatives and meetings.

In our Current Affairs programme, we also covered wide ranging issues including migration, domestic violence, the impacts on Latin America of the US election and Brexit (the latter in partnership with the US Council of the Americas), women in business and, in a first for Canning House, the history and current affairs of Lusophone Africa. A number of these events featured senior figures from international organisations, such as the International Organisation for Migration, as well as Canning House's expert Associate Fellows.

We continued to hold regular current affairs briefings with speakers from our news partner LatinNews, on topics including our annual Election Watch, Bolivia's delayed general election, the Chilean constitutional plebiscite, and other significant developments from Guyana, Brazil, and Mexico.

For the 2020 Canning Cultural Lecture, we hosted a panel of leading figures from cultural organisations across art, music, theatre, literature and cinema to discuss the impact of the Covid-19 pandemic on the creative industries.

Canning House also published its first three "Forgotten Histories," submitted by members of the public. The Thin Red Line (on cricket in Mexico), The British in Paraná (on British settlement in the Brazilian region), and Journeyman "Jack" of Bogotá; these were expanded upon in an event in February 2021 in which the authors spoke about their research.

The official Canning House website has seen continuous improvements, including a new Thought-Leadership page covering the LatAm Outlook, Conversa and the Research Forum at the LSE, and the addition of a "Donate" button to event pages to encourage voluntary contributions from event attendees.

At the end of March 2021, Canning House had 75 individual members, a decline on the previous year's figure (89). The individual membership offering undoubtedly diminished in value once events were no longer discounted but free and without the social networking opportunities that the in person events provided.

However, in April 2021, Individual Membership was re-launched at £50 p.a. (down from £60) as part of the wider revamped membership structure; and meetings took place with associate organisations including Instituto Cervantes, Regents University London and the King's College London Modern Languages Centre to update our language classes offering and discount levels as a universal membership benefit.

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In June 2020, Professor Francesca Denegri from Peru, the second Canning House Library Visiting Fellow, delivered a lecture on her Fellowship research into Hispanic feminist responses to the British Suffragettes. The third Library Visiting Fellow, Elissa Pereira dos Santos from Brazil, began her research project in London in

January 2021, following a delay due to the Covid-19 pandemic; her research examines the role of New Christians in the ownership and circulation of slaves in Rio de Janeiro and Portugal in the 18th century. The fourth Visiting Fellow, Dr Roberto Uebel, also from Brazil, whose Fellowship period was also delayed by Covid-19, will begin his research in January 2022.

Canning House continued its support for the FCDO's Chevening programme, welcoming its Latin American students with an event in November 2020. A discussion with the Chevening scholars on the Canning Agenda took place in June 2021. The 2020 FCDO International Leaders Programme was unfortunately postponed due to the pandemic.

Canning House's support for the Group of Latin American Embassies in the UK (GRULA) and its Dean remained strong. As the Covid-19 pandemic prevented the Embassies' normal in-person celebrations of their countries' national and independence days, Canning House hosted their online commemorations. These included video messages from the Latin American Ambassadors in London and their British counterparts, and selections of cultural resources and recommendations. We also hosted a virtual commemoration of Chilean Navy Day, in partnership with the Embassy of Chile.

In December 2021, as part of an incipient programme of charity-to-charity giving, Canning House partnered with the LATA Foundation to provide emergency funds to communities in Latin America suffering from the Covid-19 pandemic, supporting projects in Guatemala, Bolivia, Colombia, Nicaragua, Brazil and Venezuela and providing personal protective equipment, food parcels and training for female entrepreneurs, among other initiatives.

Canning House also continued its outreach to the Anglo-Friendship Societies. This included a donation of £1,000 to the Anglo-Argentine Society's fundraiser in support of "Inglés para mi Futuro", a charitable initiative providing free English lessons to children from low-income families around Rosario in Argentina. Anglo-Friendship Society events are also regularly advertised on the Canning House website.

Thought Leadership, Policy and Research

On the research front, 2020 saw the start of the Canning House Research Forum, a multi-year partnership of research and policy engagement with the Latin America and Caribbean Centre at the London School of Economics dedicated to the over-arching theme of The Future of Latin America and the Caribbean. The successful candidate, Dr Amir Lebdioui, started work on the 5-year rolling programme of work, outlining three individual policy-focused research projects aiming to advance knowledge and offer insights of practical application to political, economic, social, and business policy-making. The focus of the three main projects identified include: Trade and Inequality; Extractives, energy and the context of climate change; and Latin America's green 'new deal'. Each project will produce reports to be delivered at academic and Canning House events.

Furthermore, despite travel restrictions as a result of the Covid-19 pandemic, one Visiting Library Fellow was able to come to London and conduct research using the Canning House library collection housed at KCL.

On the trade policy front, Canning House played host to an invitation-only Ministerial roundtable on the Comprehensive and Progressive Trans Pacific Partnership (CPTPP), addressed by both the Hon. Ranil

Jayawardena MP, Minister for International Trade, and Joanna Crellin, HM Trade Commissioner for Latin America, who provided business leaders from major UK companies with an insightful update on the UK's application to join the CPTPP.

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Two further sector-specific roundtables were also hosted to address the challenges faced by UK companies wanting to enter – or increase their presence in – Latin American markets. The first, organised in collaboration with the City of London Corporation and DIT, addressed the challenges facing UK-based banks, financial institutions and newly emerging fintech companies; the second, again organised in collaboration with DIT, addressed the challenges facing UK-based pharmaceutical, health-tech and healthcare companies.

Also related to the trade theme, Canning House hosted a webinar in December, chaired by Andrés Velasco, former Minister of Finance in Chile, with a panel of trade experts who discussed the various trade alliances in Latin America, their rapidly shifting dynamics and progress, the prospects for trade in the region and the possibilities that might arise for UK businesses seeking to enter Latin American markets.

Canning House completed its official takeover as secretariat for the annual UK-Brazil Conversa in 2020. Founded in 2014 by former UK Ambassador to Brazil, Alan Charlton, the Conversa is an annual forum for influential people from a variety of backgrounds – business, government, diplomacy, academia, think-tanks – to discuss key issues relating to UK-Brazilian relations. Owing to the pandemic, the planned physical event could not take place. However, an online version – the e-Conversa – took place to great acclaim from attendees.

To commemorate the 10-year anniversary of the launch of the Canning Agenda (the UK government’s policy to reengage with Latin America – launched at Canning House in November 2010) Canning House hosted a hugely successful review conference with representatives from the government, academia, and the business community to discuss progress to date, and identify what needed to be done to accelerate the development of a revitalised relationship between Latin America and the UK. The Hon. Ranil Jayawardena MP, Minister for International Trade, joined us again for his second event of the year with us.

We brought the year to a strong close with the 2021 edition of our flagship initiative, the Canning House LatAm Outlook - in partnership with Ipsos, Itaú Bank, Control Risks, and FT LatAm Editor Michael Stott - an authoritative assessment of the forces shaping Latin America’s political, economic, social and business environment over the next 5 years and beyond, and their likely impact on society, financial and economic development, and trade and investment. This year, two new chapters were added on Health and the Environment, partnering with the London School of Economics and the Stockholm Environment Institute respectively. Although we were unable to hold the event in person owing to continued restrictions on mass gatherings due to the pandemic, over 330 people joined the event online from around the world. We subsequently trialled virtual events in Brazil and Colombia focused on the respective country chapters of the Outlook; they were such a success that we definitely propose to roll-out the 3rd edition to all the individual countries featured in the Outlook– in person if conditions allow.

Financial review

The Statement of Financial Activities (on page 17) shows an overall fund surplus of £15,052,131 at the year-end, which included £365,947 of restricted funds. The remaining funds are unrestricted and are available for use by the Trustees at their discretion, but in accordance with the Charity’s aims and objectives.

Plans for future periods

Last year saw the implementation of strategic plans for step-changes in activities including the signature of agreements with the London School of Economics for the hosting of Canning Lectures and to fund a 5-year Canning Forum Research Programme, and the launch of the Canning House LatAm Outlook in March 2020 – just prior to the first UK lockdown. In recognition of the status of the Forum and The Outlook as strategic investments for Canning House, the board authorised the associated expenditures to be met from the endowment portfolio. More frequent co-operation for geopolitical events had also been firmly established with Parliament and the APPGs and Canning House had taken over the running of the high level bilateral Anglo-Brazilian Conversa.

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The pandemic necessitated a complete change in our business operating model and methods of delivering events. While emergency restrictions severely restricted our opportunities to implement some of our strategic step-changes – such as the Canning Lectures and the Research Forum – we nonetheless successfully managed to deliver our programme of events online – including virtual events with the APPGs and the first virtual Conversa and the launch of our Sustainable Development in Latin America series for the year-long run-up to COP-26.

Plans for 2021-22 and for future periods are

- to continue with our current Sustainable Development programme – including a LatAm event in conjunction with COP-26
- to host as many Canning Lectures as there are LatAm Presidents attending COP-26
- to deliver the first fruits of the Research Forum, and
- to retain our expanded and international audiences for future programmes by transiting successfully to a hybrid operating model for our future events.

Risks and uncertainties

Given the Organisation's dependence upon two principal income streams – corporate membership and investment income - the principal financial risks facing the Organisation are:

- Corporate membership numbers
- Stock market fluctuations impacting the value and/or income stream of the investment portfolio.

The uncertainties surrounding the speed and extent of economic recovery from the pandemic in both the UK and Latin America, added to those surrounding the impact on UK companies of the final implementation arrangements for Brexit, have undoubtedly impacted corporate memberships; even those companies which have renewed have taken longer to decide to do so – leading to several instances of delayed renewals and waived fees. In recognition of the current realities, the Organisation has updated its corporate packages to make them more competitive and more appealing to both UK and Latin American companies. Although events remain free for all participants for the moment, we anticipate returning to charging once we have hybrid events underway.

However, the endowment portfolio in excess of £14m at 31 March 2021 (equivalent to c. 22 years of operating costs) continues to provide ample insurance for Canning House to survive this period even if these uncertainties persist into 2022.

The continued growth this year in our reputation for serious and significant research, reports and events, the increased reach of those events to larger and more international audiences, and the publication of the second edition of our CH LatAm Outlook, have all greatly augmented our position not only as the leading UK forum on UK-Latin American bilateral relations, but also as an internationally recognised think-tank on Latin American developments in general.

Reserves and investment policy

Following the sale of No. 2 Belgrave Square, in 2013 the Board of Trustees invested the proceeds (c. £12m) in an investment portfolio managed by Smith and Williamson Investment Management LLP. The Board established a reserves policy which was intended to maintain the value of the capital realised from the sale, after allowing for inflation (RPI+1%).

Over the course of the subsequent years, only income from the portfolio in the form of dividends and interest has been drawn from the portfolio, with capital gains as well as surplus income being reinvested; as a result, the value of the investment, as at 31 March 2021, had grown to a total value of £14.38m with the underlying investments spread across a broad range of asset classes, sectors and geographies.

In June 2019, the Board confirmed that the investment portfolio is a strategic fund to be applied to strategic and quality investments in pursuit of the Charity's Mission and Objects and to the financing of appropriate loss-making charitable activities of Canning House that cannot be covered by other income sources. It is to be deployed wisely and appropriately over time, in such a way as to preserve Canning House's ability to continue to fund such strategic opportunities not only in the short-term but also over the medium- and long-term.

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Examples of the application of these principles to date include step-out investments in the 5-year research programme with the LSE and the launch of the LatAm Outlook.

The Board's Finance & General Purposes Committee (F&GP) has undertaken an in-depth strategic review with the Organisation's investment portfolio advisors, Smith & Williamson and, in July 2021, submitted to the Board proposals to alter the mandate to recognise that it was no longer necessary to keep a more liquid £5m reserved for a potential property purchase, and to invest consistently with the board's ESG principles. Any shortfalls on operating costs will continue to be covered by income transfer to the Organisation to maintain activities at current levels; this is expected to continue to be met primarily from interest and dividends. It should be noted again that the total funds and securities held by the brokers, including accrued interest, (£14.5m at 31 March 2021; and £15m as at 30 June 2021) is equivalent to over 22-23 years of total operating costs.

For the twelve months to 31st March 2021 the Hispanic & Luso Brazilian Council investment portfolio produced a total return of +13.7% for the trailing twelve months to 31st March 2021. This represents a strong recovery from the trough in markets in Q1 2020, with equities being the main driver of the positive return since then. This compares favourably to the long-term target return of RPI +1% which appreciated by +1.8% during the period. Looking at the longer-term performance, the investments have delivered a cumulative total return of +33.4% since inception at Smith & Williamson (31st May 2014). This equates to an annualised total return of +4.3% compared to +3.1% for the same inflation-linked benchmark.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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 Charities SORP;
 - make judgments 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 financial statements; and
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Dixon Wilson Audit Services LLP, Chartered Accountants are auditors to the charitable company for 2020-21. In accordance with section 485 of the Companies Act, a resolution on the appointment of auditors for 2021-22 will be put at a General Meeting.

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Statement of disclosure to auditor

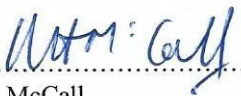
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The above report has been prepared in accordance with the special provisions of Section 419(2) of the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 27/10/21 and signed on their behalf by:

.....


Nicholas McCall
Chair

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE HISPANIC AND LUSO BRAZILIAN COUNCIL

Opinion

We have audited the financial statements of The Hispanic and Luso Brazilian Council (the 'charitable company') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, consolidated balance sheet, consolidated statement of cashflows 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charitable company 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 director'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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be 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.

TO THE TRUSTEES OF THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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 and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees Report; or
- Sufficient 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 8, the trustees (who are also directors of the charitable company for the purposes of company law) are 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 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company by considering, amongst other things, the sector, and jurisdictions in which it operates, and considered the risk of acts by the charitable company and the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that 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.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law, UK tax legislation, UK Charity Law as well as UK financial reporting standards applicable for UK charitable companies.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of consultants used for accounting outsourcing.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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. We did not identify any key audit matters relating to irregularities, including fraud.

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 charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

15 December 2021
Date: _____

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

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including statement of income and expenditure)
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2021	2021	2020	2020	2020
	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
Income and endowments from:							
Donations and legacies	3	21,291	24,852	46,143	39,606	-	39,606
Charitable activities	4	-	-	-	390	-	390
Other trading activities	5	122,528	-	122,528	189,572	-	189,572
Investments	6	<u>357,859</u>	<u>1,917</u>	<u>359,776</u>	<u>393,917</u>	<u>2,977</u>	<u>396,894</u>
Total income		501,678	26,769	528,447	623,485	2,977	626,462
Expenditure on:							
Raising funds	7	(53,738)	-	(53,738)	(56,245)	-	(56,245)
Charitable activities	8	(617,673)	(42,674)	(660,347)	(598,503)	(22,700)	(621,203)
Other	10	<u>(13,872)</u>	<u>-</u>	<u>(13,872)</u>	<u>(13,892)</u>	<u>-</u>	<u>(13,892)</u>
Total expenditure		(685,283)	(42,674)	(727,957)	(668,640)	(22,700)	(691,340)
Net gains/(losses) on investments		<u>1,432,879</u>	<u>-</u>	<u>1,432,879</u>	<u>(968,687)</u>	<u>-</u>	<u>(968,687)</u>
Net movement in funds		<u>1,249,274</u>	<u>(15,905)</u>	<u>1,233,369</u>	<u>(1,013,842)</u>	<u>(19,723)</u>	<u>(1,033,565)</u>
Reconciliation of funds							
Balance at 1 April 2019		<u>13,431,003</u>	<u>381,852</u>	<u>13,812,855</u>	<u>14,444,845</u>	<u>401,575</u>	<u>14,846,420</u>
Balance at 31 March 2021	22	<u>14,680,277</u>	<u>365,947</u>	<u>15,046,224</u>	<u>13,431,003</u>	<u>381,852</u>	<u>13,812,855</u>

The notes on pages 20 to 30 form part of these financial statements.

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible fixed assets	13	7,859	8,495	7,859	8,495
Intangible assets	14	9,000	12,000	9,000	12,000
Investments	15	<u>14,382,188</u>	<u>13,016,153</u>	<u>14,382,189</u>	<u>13,016,154</u>
		14,399,047	13,036,648	14,399,048	13,036,649
Current assets					
Stocks	16	4,198	4,198	4,198	4,198
Debtors and prepayments	17	163,010	219,446	396,484	338,739
Cash at bank and in hand	18	<u>645,035</u>	<u>642,673</u>	<u>514,896</u>	<u>521,303</u>
		812,243	866,317	915,578	864,240
Creditors: amounts falling due within one year	19	<u>(165,066)</u>	<u>(90,110)</u>	<u>(134,892)</u>	<u>(19,373)</u>
Net current assets		<u>647,177</u>	<u>776,207</u>	<u>780,686</u>	<u>844,867</u>
Total assets		<u>15,046,224</u>	<u>13,812,855</u>	<u>15,179,734</u>	<u>13,881,516</u>
Funds represented by:					
Restricted funds		365,947	381,852	365,947	381,852
Unrestricted funds		<u>14,680,277</u>	<u>13,431,003</u>	<u>14,813,787</u>	<u>13,499,664</u>
Total funds	22	<u>15,046,224</u>	<u>13,812,855</u>	<u>15,179,734</u>	<u>13,881,516</u>

The Trustees acknowledge their responsibilities for ensuring that the Charity keeps accounting records which comply with the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its Statement of Financial Affairs for the financial year.

The annual accounts have been produced in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, and the Charities Act 2011 and applicable regulations.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

For the year ended 31 March 2021, the Charity was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476.

The financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements on pages 17 to 30 were approved by the Trustees on 27/10/2021 and signed on their behalf by:

.....
Nicholas McCall - Chair

Company registration number - 00383775

Charity registration number - 314210

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
Cash flows from operating activities	24	599,244	(789,549)	590,493	(674,219)
Cash flows from investing activities					
Dividend income		275,018	297,298	275,018	297,298
Interest income		84,758	99,596	84,740	99,485
Proceeds from the sale of investments		1,929,812	3,602,359	1,929,812	3,602,359
Purchase of investments		(2,884,156)	(3,326,679)	(2,884,156)	(3,326,679)
Purchase of tangible fixed assets		(2,314)	(11,309)	(2,314)	(11,309)
Purchase of intangible fixed assets		-	(5,000)	-	(5,000)
Proceeds from the sale of tangibles		-	3,112	-	3,112
Net cash (used in) provided by investing activities		<u>(596,882)</u>	<u>659,377</u>	<u>(596,900)</u>	<u>659,266</u>
Change in cash and cash equivalents in the year		2,362	(130,172)	(6,407)	(14,953)
Cash and cash equivalents at the beginning of the year		<u>642,673</u>	<u>772,845</u>	<u>521,303</u>	<u>536,256</u>
Cash and cash equivalents at the end of the year		<u>645,035</u>	<u>642,673</u>	<u>514,896</u>	<u>521,303</u>

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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

1. Accounting policies

a) Company information

The Hispanic and Luso Brazilian Council is a company limited by guarantee, incorporated in England and Wales and registered as a charity with the Charities Commission. The principal address and registered office is 126 Wigmore Street, London W1U 3RZ.

b) Basis of preparation of annual accounts

The financial statements have been prepared in accordance with accounting policies set out in the notes to the accounts and comply with the charity's governing document, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Hispanic and Luso Brazilian Council meets the definition of a public benefit entity under FRS102.

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

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The principal accounting policies are set out below.

The effects of events relating to the year ended 31 March 2021 which occurred before the date of approval of the financial statements by the Trustees have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2021 and the results for the year ended on that date.

c) Fund accounting

Unrestricted funds 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.

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, receipt is probable, and the amount can be measured with sufficient reliability.

Annual membership subscriptions are recognised in equal monthly instalments over the period of membership. Donations and sponsorship are recognised when the charity has entitlement to the funds, receipt is probable, and the amount can be measured with sufficient reliability. Event fees and room hire are recorded when the services are provided. Dividend and interest income are recognised when the Charity has the right to receive payment.

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

1. Accounting policies (continued)

e) Resources expended

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 allocated on a basis consistent with the use of the resources.

Costs of generating funds comprise the costs associated with attracting voluntary income and costs for trading for fundraising purposes.

Charitable expenditure comprises of those costs incurred by the Charity in the delivery of its activities and services for beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned.

f) Tangible fixed assets and depreciation

All tangible fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	-	20% straight line
Fixtures and fittings	-	20% straight line

g) Intangible assets and amortisation

Intangible assets acquired are initially recorded at cost and are subsequently measured at cost less accumulated amortisation and impairment losses over the useful economic life of that asset as follows:

Website development	-	20% straight line
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h) Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction cost. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in equity instruments

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the SOFA. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in the SOFA. Other investments are measured at cost less impairment in the SOFA.

i) Stocks

Stocks are valued at the lower of cost and net realisable value.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purposes only of the cash flow statement. Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed asset investments

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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

1. Accounting policies (continued)

k) Operating lease agreements

Rentals in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor charged to the Statement of Financial Activities (SOFA) on a straight-line basis over the period of the lease.

l) Pension costs

The charity operates a defined contribution scheme for employees. The assets of the schemes are held separately from those of the charity. The annual contributions are charged to the SOFA as they fall due.

m) Taxation

The Hispanic and Luso Brazilian Council is considered to pass tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income and capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income and gains are applied exclusively to charitable purposes.

n) Grants

Grants are accounted for under the accruals model of accounting as permitted by FRS102. Grants of a revenue nature are recognised in the SOFA in the same period as the related expenditure.

o) Going concern

There are no material uncertainties about the Charity's ability to continue in operational existence for the foreseeable future. The charity holds sufficient liquid reserves to meet its financial obligations as they currently fall due, and for the foreseeable future.

2. Financial performance of the Charity

The consolidated statement of financial activity includes the results of the Charity's wholly owned subsidiary. The summary financial performance of the Charity alone is:

	2021	2020
	£	£
Income	399,498	440,929
Gift aid from subsidiary company	<u>-</u>	<u>-</u>
	399,498	440,929
Expenditure on charitable activities	(534,159)	(437,146)
Net gains/(losses) on investments	<u>1,432,879</u>	<u>(968,687)</u>
Net income/(expenditure)	1,298,218	(964,904)
Funds brought forward	<u>13,881,516</u>	<u>14,846,420</u>
Totals funds carried forward	<u>15,179,734</u>	<u>13,881,516</u>
Represented by:		
Restricted funds	365,947	381,852
Unrestricted funds	<u>14,813,787</u>	<u>13,499,664</u>
	<u>15,179,734</u>	<u>13,881,516</u>

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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

3. Donations and legacies

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Donations, grants and sponsorship	<u>21,291</u>	<u>24,852</u>	<u>46,143</u>	<u>39,606</u>

4. Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Language courses	<u>-</u>	<u>-</u>	<u>-</u>	<u>390</u>

5. Other trading activities

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Membership and events	<u>128,435</u>	<u>-</u>	<u>128,435</u>	<u>189,572</u>

6. Investment income

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Dividends from investments	275,018	-	275,018	297,298
Bond interest accrued	82,737	-	82,737	96,144
Bank interest received	<u>104</u>	<u>1,917</u>	<u>2,021</u>	<u>3,452</u>
	<u>357,859</u>	<u>1,917</u>	<u>359,776</u>	<u>396,894</u>

7. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Investment Manager's fee	<u>53,738</u>	<u>-</u>	<u>53,738</u>	<u>56,245</u>

8. Costs of charitable activities

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Direct costs	133,571	42,674	176,245	126,339
Support costs	<u>484,102</u>	<u>-</u>	<u>484,102</u>	<u>494,864</u>
	<u>617,673</u>	<u>42,674</u>	<u>660,347</u>	<u>621,203</u>

THE HISPANIC AND LUSO BRAZILIAN COUNCIL

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

8. (Continued) Included within direct costs are donations made to the following institutions:

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
LATA Foundation	6,000	-	6,000	-
The Anglo-Argentine Society	-	30,674	30,674	3,000
Anglo Portuguese Society				2,200
The British & Colombian Chamber Of Commerce	-	-	-	5,000
	<u>6,000</u>	<u>30,674</u>	<u>36,674</u>	<u>10,200</u>

9. Support costs

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Staff costs	360,859	-	360,859	357,177
Building costs	58,337	-	58,337	57,900
Other costs	<u>64,906</u>	<u>-</u>	<u>64,906</u>	<u>79,787</u>
	<u>484,102</u>	<u>-</u>	<u>484,102</u>	<u>494,864</u>

10. Other resourced expended

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Audit and accountancy fees	<u>13,872</u>	<u>-</u>	<u>13,872</u>	<u>13,892</u>

11. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	2,050	1,180
Amortisation	3,000	3,000
Auditors remuneration:		
- Audit of the financial statements	<u>7,372</u>	<u>7,392</u>
	<u>12,422</u>	<u>11,572</u>

12. Staff costs and remuneration

Total staff costs were as follows:

	2021 £	2020 £
Wages and salaries	308,173	305,197
Social security cost	27,780	28,229
Other pension costs	21,158	16,161
Other costs	<u>3,748</u>	<u>7,590</u>
	<u>360,859</u>	<u>352,848</u>

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

12. (Continued)

The average number of staff employed during the year, based on a full time equivalent, was 9 (2020 - 8). All staff were employed by the Charity and staff were recharged to Canning House Limited based on time spent. The total recharge for the year amounted to £172,335 (2020 - £193,849).

There was 1 employee whose total emoluments for the year fell between £90,000 and £100,000 (2020 between £80,000 and £90,000 - 1).

The total amount of employee benefits received by the charity's key management personnel was £90,201 (2020 - £88,868).

The members of the Board of Trustees did not receive any remunerations, nor any reimbursed expenses during the year (2020 - £Nil).

13. Tangible assets – Charity (also comprising that of the group)

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2020	34,661	11,835	46,496
Additions	-	2,314	2,314
Disposals	<u>-</u>	<u>(1,125)</u>	<u>(1,125)</u>
31 March 2021	<u>34,661</u>	<u>13,024</u>	<u>47,685</u>
Depreciation			
At 1 April 2020	32,498	5,503	38,001
Charge for the year	455	1,595	2,050
Disposals	<u>-</u>	<u>(225)</u>	<u>(225)</u>
At 31 March 2021	<u>32,953</u>	<u>6,873</u>	<u>39,826</u>
Net book value			
At 31 March 2021	<u>1,708</u>	<u>6,151</u>	<u>7,859</u>
At 31 March 2020	<u>2,163</u>	<u>6,332</u>	<u>8,495</u>

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

14. Intangible assets – Charity (also comprising that of the group)

	Website development £	Total £
Cost		
At 1 April 2020	15,000	15,000
Additions	<u>-</u>	<u>-</u>
31 March 2021	<u>15,000</u>	<u>15,000</u>
Depreciation		
At 1 April 2020	3,000	3,000
Charge for the year	<u>3,000</u>	<u>3,000</u>
At 31 March 2021	<u>6,000</u>	<u>6,000</u>
Net book value		
At 31 March 2021	<u>9,000</u>	<u>9,000</u>
At 31 March 2020	<u>12,000</u>	<u>12,000</u>

15. Investments

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Subsidiary undertaking	-	-	1	1
UK and overseas equities:				
Market value at 1 April 2019	11,632,123	12,661,762	11,632,123	12,661,762
Acquisitions at cost	2,884,156	3,326,679	2,884,156	3,326,679
Disposals at opening book value or cost of new purchase	(1,929,812)	(3,602,359)	(1,929,812)	(3,602,359)
Unrealised gains/(losses) on revaluation	<u>1,478,362</u>	<u>(753,959)</u>	<u>1,478,362</u>	<u>(753,959)</u>
Market value at 31 March 2021	14,064,829	11,632,123	14,064,829	11,632,123
Cash balance (held by brokers)	<u>317,359</u>	<u>1,384,030</u>	<u>317,359</u>	<u>1,384,030</u>
Investments under management	<u>14,382,188</u>	<u>13,016,153</u>	<u>14,382,188</u>	<u>13,016,153</u>
	<u>14,382,188</u>	<u>13,016,153</u>	<u>14,382,189</u>	<u>13,016,154</u>

The market value of £14,064,829 (2020 - £11,632,123) above represents investments quoted on a recognised securities exchange.

	2021 £	2020 £
UK equity	2,561,629	1,951,011
Overseas equity	4,087,006	2,626,409
UK bonds	6,376,719	6,443,993
Alternative investments	<u>1,039,475</u>	<u>610,710</u>
	<u>14,064,829</u>	<u>11,632,123</u>

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

15. Investments (continued)

Subsidiary undertaking

The charity has a wholly owned trading subsidiary, Canning House Limited (company registration number 03317927), which is incorporated in England and Wales. The subsidiary's principal activity is to run services for corporate members and relevant commercial activities including the running of conferences. All profits are donated to the Charity under gift aid.

Summary of profit and loss for Canning House Limited

	2021	2020
	£	£
Turnover	128,949	182,970
Cost of sales and expenses	<u>(193,798)</u>	<u>(251,631)</u>
Net profit	<u>(64,849)</u>	<u>(68,661)</u>
The assets and liabilities of the subsidiary were:		
Current assets	139,639	201,112
Current liabilities	<u>(273,148)</u>	<u>(269,772)</u>
Total net assets	<u>(133,509)</u>	<u>(68,660)</u>
Aggregate share capital and reserves	<u>(133,509)</u>	<u>(68,660)</u>

16. Stocks – Charity (also comprising that of the group)

	2021	2020
	£	£
Stock of medals	<u>4,198</u>	<u>4,198</u>

17. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	29,000	66,650	20,000	3,600
Prepayments and accrued income	109,219	122,077	108,719	108,807
Other debtors	24,791	30,719	24,791	27,297
Amounts owed by group undertakings	-	-	<u>242,974</u>	<u>199,035</u>
	<u>163,010</u>	<u>219,446</u>	<u>396,484</u>	<u>338,739</u>

18. Analysis of cash and cash equivalents

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank	<u>645,035</u>	<u>642,673</u>	<u>514,896</u>	<u>521,303</u>

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

19. Creditors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	2,214	168	1,974	168
Taxation and social security	5,780	1,363	5,780	1,363
Other creditors	-	-	-	-
Accruals and deferred income		<u>88,579</u>	<u>127,138</u>	<u>17,842</u>
	<u>157,072</u>			
	<u>165,066</u>	<u>90,110</u>	<u>134,892</u>	<u>19,373</u>

20. Financial instruments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Financial assets				
Financial assets measured at fair value through the SOFA	15,027,223	13,658,826	14,897,084	13,537,456
Financial assets measured at amortised cost	<u>53,791</u>	<u>97,369</u>	<u>287,766</u>	<u>229,933</u>
	<u>15,081,014</u>	<u>13,756,195</u>	<u>15,184,850</u>	<u>13,767,389</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>158,659</u>	<u>22,073</u>	<u>134,892</u>	<u>19,373</u>

Financial assets measured at fair value through the SOFA comprise of bank and cash balances as well as investments carried at market value. Accounting policies adopted are included within note 1i) to these financial statements.

Financial assets measured at amortised cost comprise of investments held at cost, trade debtors, other debtors and amounts owed by group undertakings. Further details in respect of these balances can be found in note 17 to these financial statements and the accounting policies adopted are included within note 1g) to these financial statements.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals. Further details in respect of these balances can be found in note 19 to these financial statements and the accounting policies adopted are included within note 1g) to these financial statements.

21. Pensions

The charitable company operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pensions cost represents contributions payable by the Charity during the year and amounts to £10,996 (2020 - £7,559) and by the Group £21,158 (2020 - £16,161). At the year end there was £5,780 (2020 - £1,363) outstanding from the Charity included in creditors due within one year.

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

22. Statement of funds

	At 1 April 2020 £	Incoming resources £	Resources expended £	At 31 March 2021 £
Restricted funds:				
Canning House Library Appeal	298,313	1,678	(12,500)	287,491
UK-Brazil Conversa Fund	-	24,858	-	24,858
Anglo Portugese Society Fund	33,305	97	(500)	32,902
Anglo Argentine Society Fund	29,598	76	(29,674)	-
British and Colombian Chamber of Commerce Fund	<u>20,636</u>	<u>60</u>	<u>-</u>	<u>20,696</u>
	381,852	26,769	(42,674)	365,947
Unrestricted funds:				
General funds	<u>13,431,003</u>	<u>1,934,557</u>	<u>(685,283)</u>	<u>14,680,277</u>
Total funds	<u>13,812,855</u>	<u>1,961,326</u>	<u>(727,957)</u>	<u>15,046,224</u>

Details of the funds are listed below:

- Canning House Library Appeal – set up in 2004 for new library facilities.
- Anglo accounts – deposits made for future charitable activities in mutual agreement with the Anglo Portuguese Society, Anglo Argentine society and British and Colombian chamber of Commerce for charitable, cultural and educations purposes. The above funds were set aside in conjunction with the sale of 2 Belgrave Square.

23. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Fixed assets	14,399,047	-	14,399,047	13,036,648
Net current assets	<u>281,230</u>	<u>365,947</u>	<u>647,177</u>	<u>776,207</u>
	<u>14,680,277</u>	<u>365,947</u>	<u>15,046,224</u>	<u>13,812,855</u>

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

24. Reconciliation of net movement in funds to net cash flows from operating activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Net movement in funds	1,239,276	(1,033,565)	1,298,218	(964,904)
Adjustments for:				
Depreciation	2,050	1,180	2,050	1,180
Amortisation	3,000	3,000	3,000	3,000
Loss/(gain) on disposal of tangibles	900	(106)	900	(106)
Unrealised (gains)/losses on revaluation	(1,478,362)	753,959	(1,478,362)	753,959
Decrease/(increase) in cash balances held in investments	1,066,671	(84,103)	1,066,671	(84,103)
Decrease/(increase) in stocks	-	-	-	-
Decrease/(increase) in debtors	56,436	(20,281)	(57,745)	13,805
Increase/(decrease) in creditors	74,956	(12,739)	115,519	(267)
Dividend income	(275,018)	(297,298)	(275,018)	(297,298)
Interest income	<u>(84,758)</u>	<u>(99,596)</u>	<u>(84,740)</u>	<u>(99,485)</u>
Cash flows from operating activities	<u>599,244</u>	<u>(789,549)</u>	<u>590,493</u>	<u>(674,219)</u>

25. Financial commitments

At 31 March 2021, the Charity had the following commitments under non-cancellable operating leases:

	2021	2020
	£	£
Land and buildings		
- Falling due within one year	58,167	57,167
- Falling due between two and five years	<u>49,167</u>	<u>107,333</u>
	<u>107,334</u>	<u>164,500</u>
Other		
- Falling due within one year	2,628	2,630
- Falling due between two and five years	<u>2,367</u>	<u>3,550</u>
	<u>4,995</u>	<u>6,180</u>
Total financial commitments	<u>112,329</u>	<u>170,680</u>

26. Contingent liabilities

During the prior year, the Charity entered into an agreement with LSE under a 5 year rolling contract for funding of up to £100,000 per year relating to The Canning House Research Forum, with a break clause in year 3. At the balance sheet date, the Charity had a contingent liability in respect of the future funding costs to be provided towards the research of up to £100,000 plus the percentage increase in CPI in the prior period.

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

27. Related party transactions

Whenever appropriate, the entire net profit of the subsidiary company, Canning House Limited, is donated annually by deed to the parent charitable company under gift aid and amounted to £Nil (2020 - £Nil) inclusive of the tax credit.

Historically, the Charity acted as agent for the UK-Brazil Conversa, a forum which was founded by Alan Charlton, one of the Charity's Trustees. At 1 April 2020, the Charity took full control of the UK-Brazil Conversa, and the value of the account at this date of £24,852 was donated to the Charity as a Restricted fund. All subsequent transactions within this fund are included within the financial statements.

28. Ultimate controlling party

In the opinion of the Trustees, there is no ultimate controlling party other than the Board of Trustees themselves.

