

CHARITY REGISTRATION NUMBER: 518440

The Nostell Trust
Unaudited Financial Statements
5 April 2023

HARRISON HOLT
Chartered Accountants
High Park Farm
Kirkbymoorside
York
YO62 7HS

The Nostell Trust
Financial Statements
Year ended 5 April 2023

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The Nostell Trust
Trustees' Annual Report
Year ended 5 April 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2023.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in 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 published in October 2019.

Reference and administrative details

Registered charity name	The Nostell Trust	
Charity registration number	518440	
Principal office	The Estate Office East Newton Hall Farm Oswaldkirk York YO62 5YE	
The trustees	Mr G G Winn-Darley Mrs M F Black Mr T A H Scott Ms A E Sharples Mr D E Smart	(Retired 1 September 2022) (Appointed 1 September 2022)
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL	
Charity secretary	Mrs H Copley	
Independent examiner	Philip Holt FCA FCIE High Park Farm Kirkbymoorside York YO62 7HS	

The Nostell Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Structure, governance and management

The Nostell Trust (the Charity) is a charitable trust and was registered under the Charities Act 1960, number 518440, on 6 February 1987. It is governed by the trust deed dated 24 June 1986.

The Nostell Trust was created by the Right Hon. 6th Baron St. Oswald (under his then name of the Honourable Charles Rowland Andrew Winn) on 24 June 1986 when cash of £100 was settled. On 3 July 1986 he assigned to the Charity a 99-year lease of the Stable Block at Nostell and made a further gift to the Charity of £1,200,000. On 20 December 2002, the Trustees transferred this lease to the National Trust for nil consideration.

The Charity consists of two separate funds, the Priory Fund and the Heritage Properties Fund.

New trustees

The power to appoint new Trustees is as follows:

- The power to appoint the successors to Mr G G Winn Darley and Mr T A H Scott and their successors is vested in the person entitled to the Barony of St Oswald.
- The power to appoint the successor to Mr D E Smart and his successors is vested in the National Trust with the consent of the person entitled to the Barony of St Oswald.
- The power to appoint the successor to Mrs Mary Black and her successors is vested in the person entitled to the Barony of St Oswald and in the National Trust jointly.

During the year, Ms A E Sharples indicated her intention to retire. It was agreed that the National Trust, with the consent of the Lord St. Oswald, would appoint Mr D E Smart in her place. The Deed of Appointment and Deed of Retirement dated 1 September 2022 gave effect to these changes.

New Trustees receive induction material and training and throughout their appointment receive additional training as appropriate. The new trustee has received suitable induction material.

The Trustees meet annually with additional meetings held to discuss issues as they arise.

There are no employees of the Charity. Administration services are provided by the Nostell Estate. These comprise maintaining the routine day to day accounting records of the Charity and secretarial services for the meetings of the Trustees. A fee of £500 (2022 - £500) was charged for these services.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that a system is in place for regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The Trustees consider the potential variability of investment returns from the investment portfolio to constitute the Charity's major risk. They have employed the services of professional investment managers to advise them in an effort to mitigate the risk.

The Nostell Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Objectives and activities

The main objects of the Charity are the preservation of Nostell Priory and its surrounding land, lakes and buildings, the protection of the ecological environment there and the education of the public in the architectural and historic merit of the buildings and the artistic merit of the contents.

The capital and income of the Priory Fund are, inter alia, to be utilised for the maintenance and enhancement of Nostell Priory and full details are set out in the trust deed. The capital and income of the Heritage Properties Fund may be appointed for the upkeep, maintenance and preservation of buildings designated as Nostell Heritage Properties. However, by unanimous decision, the Trustees may apply the Priory Fund for the purposes of the Heritage Properties Fund and vice versa.

The Charity carries out its objects by making grants to the National Trust, which owns Nostell Priory and its surrounding land, lakes and buildings. The Charity receives from the National Trust applications for assistance in meeting the costs of maintaining Nostell Priory and of opening it to the public and for funding of projects at or within the area surrounding Nostell Priory. These applications are usually received annually, but can be more frequent. Applications are for both capital and revenue expenditure. The Trustees consider applications and approve those that they consider meet the Charity's objectives, for which funds are available, and (save in exceptional circumstances) do not unduly inhibit the Trustees' ability to approve future applications.

Public Benefit

The Trustees confirm that they have paid due regard to the Charities Commission guidance on public benefit in making distributions from the Charity.

The following summary demonstrates the benefit to the wider public from the grants made by the Trustees to the National Trust.

Nostell Priory and its surrounding area is opened to the general public by the National Trust throughout the year. The house was built in the mid 18th century to plans modified by James Paine, who was employed there for over 30 years from 1736, who was also responsible for some of the interiors. Robert Adam was commissioned to complete the interior, and he also designed part of the Stable Block, the lodges in the park and one wing of the house. Much of the furniture within the Priory was specifically designed for the property by Thomas Chippendale.

This remarkable property and its contents are owned by the National Trust which preserves and maintains it, and admits the public to it. It is clearly for the benefit of the wider public to preserve this historic building and its surrounding landscape, and to encourage public admission to it for the purposes of appreciation and education.

The Trustees of the Charity believe that the objects of the Charity can best be achieved by making grants to the National Trust to assist it in maintaining the property and to support the National Trust's property opening operation at Nostell.

Reserves policy

Trustees have a reserves policy which aims to maintain unrestricted funds, which are the free reserves of the Charity, at a minimum level. This is to allow sufficient funds to be available for necessary governance and support costs and to honour existing commitments to provide for grants to the National Trust. The level of free unrestricted reserves, being the current assets less the current liabilities at 5 April 2023, stood at a surplus of £148,275 (2022 - £99,377) which represented around 78 months (2022 - 47 months) of governance and support costs.

The Nostell Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Achievements and performance

The charitable activities consist of the payment of grants to The National Trust. The grants paid and payable to The National Trust for the year were £130,000 (2022 - £nil).

The Trustees met in June 2022 and received reports from the team at the National Trust who indicated that they would like grant funding in the year to 5 April 2023 of £130,000.

Investment policy and performance

The investment strategy is set by the Trustees for a period of five years and takes account of recent demand for funds. The Trustees approved and signed a new Investment Policy with Ruffer LLP, the investment managers, on 22 February 2018.

The Trustees have concluded that the objects of the Nostell Trust can best be achieved by a policy aimed at preserving the real (i.e. adjusted for inflation) value of the trust fund in the longer term. They have taken advice from their investment managers and have decided to adopt the policy of making available for distribution each year 2% to 3% of the value of the trust fund, to be drawn from income and capital as the trustees think fit.

The Trustees hope that such an approach will enable them to maintain distributions averaging in the region of £100,000 to £140,000 annually.

The Trustees review the sustainability of distributions at this level annually with their investment advisers. If markets rise this may lead to incremental increases in the amount available for distribution to the National Trust. Likewise, if markets fall back, then the level of distributions may be slightly lower. If there is a substantial recession or bear market, the Trustees may reconsider whether to make any distributions from capital until markets recover.

The Trustees recognise that, whilst it is in the best interests of all concerned that they should formulate a policy for future distributions, they nevertheless retain all the discretions given to them by the Trust Deed. Accordingly, they will consider any proposals for funding that the National Trust put to them, and may deviate from their policy if in their absolute discretion they decide this is merited. The Trustees would consider with very great care any request to distribute additional capital, and would weigh up the benefits of the works to be funded by such a distribution against the loss of future income and potential capital growth which would result from it.

During the year, the Trustees, with the aim of reducing the complexity of the charity records (and keeping governance costs down) resolved, on advice from the Investment Manager that their investment strategy was closely aligned with that of the Ruffer Total Return C Income Fund, to place all the charity investments within that fund.

Investment report

Ruffer LLP started managing (on a discretionary basis) the Charity's main portfolio in August 2012. For the period from 1 April 2022 to 31 March 2023, the portfolio produced a total annualised positive return of 0.1% (2022 - total positive return of 6.7%) with a cumulative total return (allowing for withdrawals) since August 2012 of +78.2% (2022 +78.2%).

The total value of the Charity's investment assets, including cash, held by Ruffer was £5,404,913 (2022: £5,600,920) as at 5 April 2023.

The Nostell Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Achievements and performance *(continued)*

The Investment Managers' report to the Trustees on the managed discretionary portfolio was as follows:

"For the 12 month period ending 5 April 2023, the total return of the portfolio was +0.5% (2022: +6.7%) (net of all fees) made up from income returns of 3.2% less 2.7% reduction in the capital value of the portfolio. Our key objective at Ruffer is to build portfolios that deliver positive returns irrespective of market direction.

The period began with markets reeling from the impact of the Ukraine war, surging inflation and the biggest commodity price shock since 1973. The combination of tighter monetary policy to curb inflation, and with this, growing recession fears, left investors with nowhere to hide as most major asset classes lost money. Global equities plunged lower, led by the tech-heavy Nasdaq, while bonds and credit also fell sharply. We were able to offset the damage to the long-dated inflation-linked bonds from tightening monetary policy using interest rate options. The portfolio's equity exposure held up relatively well compared to global equity markets. Allocations to energy and defensive sectors and an absence of expensive stocks, namely in the technology sector, helped us here.

The last week of September was a landmark one for UK government assets. We saw a seizure in the long end of the UK gilt market. Yields had been rising all year as central banks tightened globally, but then Truss and Kwarteng's 'mini-budget' led to a sudden leg higher as markets responded negatively to unfunded tax cuts and moved to price in higher debt servicing costs. This triggered margin calls on pension funds' leveraged LDI strategies, and the subsequent forced selling of any liquid assets at any price. We used this sudden dislocation as an opportunity to top-up our position in UK index-linked bonds, a good example of how our high cash weighting gives us firepower in times of market stress. The Bank of England then stepped in to prevent further damage, at which point some of the bonds we had bought doubled in short order.

As we moved into the fourth quarter the relief rally in almost all risk assets began as the first concrete signs that we might be past the peak of the current inflationary episode - and thus past the peak of the central bank tightening cycle - became visible in October and November. The portfolio was able to participate in this rally thanks to active asset allocation through the quarter. We opted to take on risk by increasing duration (interest rate sensitivity) through opportunistic additions to UK and US index-linked bonds, and much of the equity protection was monetised to ensure the portfolio was exposed to the equity market rally. This was a tactical pivot in positioning away from our structural (bearish) views, and is another example of how we can actively implement asset allocation changes to reflect prevailing market conditions in real time.

Coming into 2023, investors continued to expect a slowdown in economic growth. However, a re-opening of the Chinese economy after the (almost overnight) abandonment of their zero-covid policy, and a relatively mild winter in Europe boosted hopes that such a slowdown would lead to a "soft-landing" for the economy - just enough to slow inflation so central banks could stop raising interest rates, but with only a mild recession, so company earnings wouldn't fall too much. Equity markets loved this heady cocktail, with global equities in sterling rising by over 8% for the year to date by the first week of February. However, this cocktail proved too strong, and inflation started rising again. Thus, we have gone full circle back to where we began, with markets having to digest sticky inflation and more hawkish central banks.

Stepping back, the rationale for the portfolio's current positioning is two-fold. Structurally, we have high conviction that we have entered a new investment regime of higher and more volatile inflation. What we are experiencing is not just a temporary inflationary environment exacerbated by distorted supply chains and excessive demand stimulus. Rather, the economic landscape has shifted to deglobalisation, renewed labour bargaining power and great geopolitical power conflict. As a result, this is not an inflation that can be easily extinguished by tight monetary policy. We expect higher interest rates and a change in correlations between asset classes for some time to come. This is a

The Nostell Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2023

Achievements and performance *(continued)*

very different world to the preceding decades and investors will be forced to adapt.

Of more immediate relevance is the critical debate for markets, how high will central banks take interest rates, and how long will they hold them there? Our view is that recessionary signs (such as rising unemployment, falling wages, and falling consumption) will need to appear soon to avoid higher rates suffocating financial markets - our 'liquidation thesis' on which our CIO Henry Maxey has written.

Whilst we agree that the spectre of recession is on the horizon, we don't think it will come in time to spare financial markets from a painful interest rate squeeze - such as that which claimed Silicon Valley Bank, Signature Bank and Credit Suisse as its most recent victims. Hence our current positioning, taking risk through duration (i.e. bonds) rather than through equities. If the economy and inflation prove resilient, then central banks will have to do a lot more tightening and all markets are vulnerable, but bonds have at least priced much of the pain. If however the economy starts to weaken markedly, then bonds are likely to be superior to equities as they usually are in recessions. The bonds we hold are inflation-linked as we feel that events will reveal that central banks do not have the stomach or the political mandate to deliver the genuine tightening needed to control inflation.

At Ruffer we like to construct portfolios with asymmetric assets - either very cheap ones, or ones where you get a lot of return if you're right, losing only a little if you're wrong. There is an unusual dearth of either type at the moment, so we remain cautious and lie in wait for opportunities.

*RUFFER LLP
June 2023"*

Financial review

The funds of the Charity at 5 April 2023 amounted to £5,554,187 (2022 - £5,700,297). These funds generate income and capital gains which are used to meet the objects of the Charity.

Net expenditure before investment gains and losses amounted to £12 (2022 - £49,750). Realised and unrealised gains on the investments amounted to £146,122 (2022 - £273,093). The funds of the Charity reduced by £146,110 (2022 - increased by £322,843) over the year.

The Nostell Trust
Trustees' Annual Report *(continued)*
Year ended 5 April 2023

Plans for future periods

The charity will continue to hold an annual meeting to review the performance of the portfolio and to consider what funds may be made available to The National Trust for the preservation of Nostell Priory and its contents and to support their operation at that property.

The trustees' annual report was approved on 26 June 2023 and signed on behalf of the board of trustees by:

MR G G WINN-DARLEY
Trustee

MR D E SMART
Trustee

The Nostell Trust

Independent Examiner's Report to the Trustees of The Nostell Trust

Year ended 5 April 2023

I report to the trustees on my examination of the financial statements of The Nostell Trust ('the charity') for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

PHILIP HOLT FCA FCIE

Independent Examiner

High Park Farm
Kirkbymoorside
York
YO62 7HS

10 November 2023

The Nostell Trust
Statement of Financial Activities
Year ended 5 April 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	4	153,106	153,106	87,944
Total income		<u>153,106</u>	<u>153,106</u>	<u>87,944</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	–	–	(13,095)
Expenditure on charitable activities	6	(153,094)	(153,094)	(25,099)
Total expenditure		<u>(153,094)</u>	<u>(153,094)</u>	<u>(38,194)</u>
Net (losses)/gains on investments	9	(146,122)	(146,122)	273,093
Net (expenditure)/income and net movement in funds		<u>(146,110)</u>	<u>(146,110)</u>	<u>322,843</u>
Reconciliation of funds				
Total funds brought forward		5,700,297	5,700,297	5,377,454
Total funds carried forward		<u>5,554,187</u>	<u>5,554,187</u>	<u>5,700,297</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Nostell Trust
Statement of Financial Position
5 April 2023

	Note	2023 £	£	2022 £
Fixed assets				
Investments	14		5,404,913	5,600,920
Current assets				
Debtors	15	70,908		52,148
Cash at bank and in hand		91,366		52,474
		<u>162,274</u>		<u>104,622</u>
Creditors: amounts falling due within one year	16	<u>(13,000)</u>		<u>(5,245)</u>
Net current assets			<u>149,274</u>	<u>99,377</u>
Total assets less current liabilities			<u>5,554,187</u>	<u>5,700,297</u>
Net assets			<u>5,554,187</u>	<u>5,700,297</u>
Funds of the charity				
Unrestricted funds			<u>5,554,187</u>	<u>5,700,297</u>
Total charity funds	17		<u>5,554,187</u>	<u>5,700,297</u>

These financial statements were approved by the board of trustees and authorised for issue on 26 June 2023, and are signed on behalf of the board by:

MR G G WINN-DARLEY
Trustee

MR D E SMART
Trustee

The notes on pages 11 to 18 form part of these financial statements.

The Nostell Trust
Notes to the Financial Statements
Year ended 5 April 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Estate Office, East Newton Hall Farm, Oswaldkirk, York, YO62 5YE.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

3. Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain financial assets and liabilities and investment portfolios measured at fair value through income or expenditure.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying values of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance section of the trustees' annual report and the Fair value of assets and liabilities Note 19 for more information).

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions which carry the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are those regarding the level of investment return and the performance of investment markets.

Income tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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 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 donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Resources expended *(continued)*

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities to which they relate on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of fixed assets investments which are subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

4. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Income from listed investments	153,103	153,103	87,942	87,942
(Losses)/gains on currency movements	3	3	2	2
	<u>153,106</u>	<u>153,106</u>	<u>87,944</u>	<u>87,944</u>

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

5. Investment management costs

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Portfolio management	–	–	13,095	13,095
	<u>–</u>	<u>–</u>	<u>13,095</u>	<u>13,095</u>

The investment manager no longer charges quarterly fees. In previous periods, the investment manager charged a quarterly portfolio management fee. In addition to these fees (shown above as portfolio management fees), the contract notes raised by the investment manager for the purchase and sale of investments included commission charges, compliance charges and PTM levy charges. These contract charges are included as part of the purchase cost of investments, or a reduction of the sale proceeds.

6. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Grants to National Trust	130,000	–	130,000	–
Governance costs	–	23,094	23,094	25,099
	<u>130,000</u>	<u>23,094</u>	<u>153,094</u>	<u>25,099</u>

7. Analysis of support costs

In the current and previous year, all the support costs were analysed as governance costs as follows:

	2023	2022
	£	£
Administration fees	500	500
Independent Examiners' fees	2,500	–
Auditors' fees	–	4,745
Legal and other professional fees	20,088	19,848
Bank charges	6	6
	<u>23,094</u>	<u>25,099</u>

8. Analysis of grants

A grant of £120,000 was paid to the National Trust during the year and a further grant of £10,000 was committed and agreed by the trustees but not yet paid. No grants were paid or requested by the National Trust in the previous year.

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

9. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gains/(losses) on listed investments	(146,122)	(146,122)	270,342	270,342
Gains/(losses) on other investment assets	—	—	2,751	2,751
	<u>(146,122)</u>	<u>(146,122)</u>	<u>273,093</u>	<u>273,093</u>

10. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>—</u>	<u>4,745</u>

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,500</u>	<u>—</u>

12. Staff costs

There are no employees of the Charity. Administration services are provided by Nostell Estate. These comprise maintaining the accounting records of the Charity and secretarial services for meetings of the Trustees. A fee of £500 (2022 - £500) was charged for these services.

13. Trustee remuneration and expenses

The Trustees did not receive, and were not entitled to receive, any remuneration in the current or previous year. None of the Trustees were reimbursed for any travel expenses in the current or previous year.

14. Investments

	Listed investments £
Cost or valuation	
At 6 April 2022	5,600,920
Additions	115
Disposals	(52,795)
Fair value movements	<u>(143,327)</u>
At 5 April 2023	<u>5,404,913</u>
Carrying amount	
At 5 April 2023	<u>5,404,913</u>
At 5 April 2022	<u>5,600,920</u>

All investments shown above are held at valuation.

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

14. Investments *(continued)*

Listed investments

The aggregate market value of listed investments is £5,404,913 (2022: £5,600,920).

Financial assets held at fair value

Valuation

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

At the year end, the following investments represented more than 5% of the value of the investment portfolio:

	2023	2022
	£	%
Ruffer Total Return C Income Fund	5,600,920	100%

The investments are allocated between the Priory Fund and the Heritage Properties Fund in the ratio of 3:1.

Unrealised and realised gains on investments are apportioned between the Priory Fund and the Heritage Properties Fund in the ratio 3:1.

15. Debtors

	2023	2022
	£	£
Prepayments and accrued income	70,908	52,148

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	13,000	5,245

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

17. Analysis of charitable funds

Unrestricted funds

	At 6 April 2022	Income	Expenditure	Gains and losses	At 5 April 2023
	£	£	£	£	£
Heritage Property Fund	1,425,073	38,277	(38,274)	(36,531)	1,388,545
Priory Fund	4,275,224	114,829	(114,820)	(109,591)	4,165,642
	<u>5,700,297</u>	<u>153,106</u>	<u>(153,094)</u>	<u>(146,122)</u>	<u>5,554,187</u>

	At 6 April 2021	Income	Expenditure	Gains and losses	At 5 April 2022
	£	£	£	£	£
Heritage Property Fund	1,344,363	21,986	(9,549)	68,273	1,425,073
Priory Fund	4,033,091	65,958	(28,645)	204,820	4,275,224
	<u>5,377,454</u>	<u>87,944</u>	<u>(38,194)</u>	<u>273,093</u>	<u>5,700,297</u>

The Heritage Property Fund and the Priory Fund are Designated Funds. The capital and income of the Priory Fund are, inter alia, to be utilised for the maintenance and enhancement of Nostell Priory and full details are set out in the trust deed. The capital and income of the Heritage Properties Fund may be appointed for the upkeep, maintenance and preservation of buildings designated as Nostell Heritage Properties. However, by unanimous decision, the Trustees may apply the Priory Fund for the purposes of the Heritage Properties Fund and vice versa.

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2023
	£	£
Investments	5,404,913	5,404,913
Current assets	162,274	162,274
Creditors less than 1 year	(13,000)	(13,000)
Net assets	<u>5,554,187</u>	<u>5,554,187</u>

	Unrestricted Funds	Total Funds 2022
	£	£
Investments	5,600,920	5,600,920
Current assets	104,622	104,622
Creditors less than 1 year	(5,245)	(5,245)
Net assets	<u>5,700,297</u>	<u>5,700,297</u>

The Nostell Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

19. Fair value of assets and liabilities

Exposure to liquidity risk

The liquidity risk exposure of the charity not being able to meet short term financial demands is mitigated by the Charity Secretary receiving, checking and reconciling monthly bank statements for the charity's main bank account and also checking the amount and timing of any pending liabilities.

Exposure to credit risk

The main debtor of the charity is the accrued investment income on the portfolio assets held by the Charity. The risk of loss arising from the investment manager failing to pay over the income generated by the investment portfolio is considered low as the investment manager is a regulated institution and the income is paid monthly to the charity's bank account.

Exposure to market risk

Investments represent the majority of the charity's net assets. The risk of a financial loss arising from an investment due to changes in the market are mitigated by the active management of the investment portfolio by a professional investment manager and the diversification of the investment portfolio based on an investment policy approved by the trustees.

Changes in fair values of debtors, creditors & investments due to credit risk There have been no changes in the fair values of basic financial instruments (debtors, creditors and investments) attributable to changes in credit risk.

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2023 £	2022 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	<u>5,404,913</u>	<u>5,600,920</u>

Financial assets measured at fair value through income and expenditure comprise fixed assets investments.

21. Related parties

During the year, The Nostell Trust paid legal and professional fees to Currey & Co. LLP amounting to £20,088 (2022 - £19,848). Mrs M F Black, a Trustee, is an equity partner in Currey & Co. LLP. There were no balances due to Currey & Co. LLP at 5 April 2023 or 2022. The power to make these payments is contained in the Trust Deed.

Nostell Estate provides administration services to the charity and a charge of £500 (inclusive of VAT) was accrued by the Charity for the current year (2022 - £500). Lord St Oswald, the settlor of the Charity and an individual who has the power to appoint trustees, is sole principal of Nostell Estate. The accrued balance due to Nostell Estate at 5 April 2023 was £500 (2022 - £500).