

Charity Registration No. 803441

THE MERLIN TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

THE MERLIN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Jim Jermyn Jonathan Miller Sally Petitt Paul Cook Kit Strange David Knott
Secretary	Rebecca Slack Email: info@merlin-trust.org.uk
Charity number	803441
Principal address	c/o Head of Horticulture Cambridge University Botanic Garden 1 Brookside Cambridge CB2 1JE
Independent examiner	Azets Audit Services Thorpe House 93 Headlands Kettering Northamptonshire United Kingdom NN15 6BL
Bankers	Lloyds Bank PLC 3 – 4 Market Street, Kettering, Northants, NN16 OAH
Investment advisors	Brewin Dolphin, Time Central, Gallowgate, Newcastle-Upon-Tyne, NE1 4SR

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THE MERLIN TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The trustees present their annual report and financial statements of the charity for the year ended 5th April 2022. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Objectives and activities

The Trust was established in 1990, following the death of Sir David Scott in 1986, and in memory of his son, Merlin.

When Sir David retired from the Foreign Office in 1947, he created a two acre garden in Northamptonshire, in which he planted rare trees, shrubs and hardy plants from many parts of the world. He did this in memory of his only son, Merlin, an outstanding naturalist, who was killed in North Africa during the Second World War whilst still an undergraduate at Oxford.

The Trust furthers its charitable purposes for the public benefit through its grant making policy which aims to give financial assistance to keen young horticulturists, and those new to horticulture, enabling them to further their knowledge of plants in the wild, or in gardens and thereby helping them to acquire skills, academic qualifications or practical experience.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit in setting the grant making policy.

In response to the ongoing effects of the coronavirus pandemic, applications for travel grants were suspended in 2020. A new award structure has now been developed to fund UK-only travel.

The structure incorporates new application requirements, including consideration of COVID-19 safe working practices, double vaccination with booster, consideration of the environmental footprint of planned tours and use of the most sustainable means of travel as possible.

The four awards, which have been open for applications from 1 April 2022, are:

- The UK-only Study Travel Grant, which has been expanded into new areas, including conferences, study fees (short skill or competency based courses only), and purely conservation-based projects;
- An UK-only Study Travel Grant special award for a heather-related project in recognition of donations made to the Trust by The Heather Society ;
- A Green Recovery Award aimed at young horticulturists interested in growing their practical experience in sustainable horticulture and conservation horticulture, including the role of horticulture in UK habitat restoration;
-
- The Health & Wellbeing Award, which will allow award recipients to explore the impact of horticulture on society, particularly the links between gardening and health.

Further details are available on the Trust's website www.merlin-trust.org.uk.

In addition to the awards described above, a donation provided by The Saxifrage Society has been used by The Trust to establish The McGregor Saxifrage Study Award. Funding will be provided to enable an alpine enthusiast under 35, or within the first five years of a horticultural career, to spend two weeks at Waterperry Gardens. Further details are provided on our social media sites.

THE MERLIN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Achievements and performance

From February 2020, the impact of the Covid-19 pandemic and the consequent travel difficulties, lead to a significant reduction in our grant making activity. 41 grants were awarded to individual applicants in 2020, none in 2021 and 3 in 2022. Details of grant making costs are provided in the notes to the accounts.

It is anticipated that our new award structure will enable us to significantly increase spending on grants.

The Trust was established by trust deed dated 22 January 1990. In the 32 years since that date, over 800 grants have been awarded to keen horticulturists. Each applicant is required to submit a written report within three months of their return, with as many photographs as possible.

These reports, which provide a valuable source of information and inspiration to other horticulturists, are kept at the Lindley Library, Royal Horticultural Society, 80 Vincent Square, London, SW1P 2PE. Copies are held at the Royal Geographical Society (with the Institute of British Geographers), 1 Kensington Gore, London, SW7 2AR. Past reports are also available as downloads from our web site.

Christopher Brickell CBE, VMH, Chairman of the Merlin Trust until June 2006, retired as Director General of the Royal Horticultural Society in 1993 after 35 years of work for the RHS, in this country and abroad. To commemorate his great achievements, and particularly his work for young gardeners, the Trustees award a prize for the best report received during the year.

In recognition of the valuable contribution made to the Trust by the Founder, the late Miss Valerie Finnis VMH, and to reflect her special interest in photography, the Trustees make a further award for the report with the best photographs.

Due to the suspension of grant applications in April 2020, no prizes were awarded in 2020/2021 or 2021/2022. Qualifying reports will be rolled over to the next available prize year.

We celebrate Merlin Trust Day on 31st October each year. Merlin Trust Day has been created to celebrate Merlins – past and present – and let future Merlins know that the Merlin Trust can support their early career through grants for travel, internships and work experience around the world. We will use our social media platforms to celebrate in the run up to the day and on the day.

Financial review

Total income decreased from £38,118 in 2021 to £28,089. In the year ended 5 April 2021, incoming resources included £15,273, comprising grants returned and grant obligations cancelled in respect of travel planned for 2020, which could not proceed due to pandemic-related travel restrictions. Income from donations in the current year was £9,236, compared to £4,399 for 2021. Further details are provided in note 3 to the financial statements.

Expenditure increased from £13,210 to £16,426. In April 2020, applications for travel grants were suspended due to uncertainty regarding the pandemic and the curtailment of non-essential travel. As a result, the cost of the Trust's grant making activity decreased from £47,324 in 2020, to £6,097 in 2021 and £8,190 in 2022.

Net income before investment gains and losses amounted to £11,663 (2021: £24,908).

In late February 2020, the coronavirus pandemic triggered a fall in financial market prices resulting in significant losses on the Trust's listed investment portfolio. The market recovered during 2021 and 2022 and, as a result, gains of £39,915 (2021: £169,510) have been recognised in the financial statements. Since the year end, various factors have resulted in uncertainty in financial markets and a general fall in market prices.

After taking account of gains on investments in the year, net income was £51,578 (2021: £194,418).

THE MERLIN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Reserves Policy

At 5th April 2022 total funds amounted to £908,957. Of this, £875,619 represents funds designated for long-term investment. Subject to the investment risks identified in the notes to the accounts, this policy produces a reasonably predictable level of income and helps to maintain long-term continuity in the level of support the charity can offer its beneficiaries. In addition, £4,250 has been designated for The McGregor Saxifrage Study Award.

The trustees propose that the level of free reserves not invested, or otherwise designated, should be at level of between £30,000 and £35,000. At this level, the trustees consider that in the event of a significant decrease in normal income, in the short-term, they would be able to continue to meet annual grant commitments and the running costs of the charity, whilst considering how income would be replaced or activities changed, or arranging for the efficient release of funds from long-term investment..

At 5th April 2022, free reserves, excluding designated funds and tangible assets, were £29,087. This is not significantly less than target level. The reserves policy will be reviewed on a regular basis.

Investment policy

The Trust Deed gives broad powers of investment to the discretion of the trustees, and the investments held by the Trust have been acquired in accordance with those powers.

The trustees have appointed stockbrokers to undertake discretionary management of the investment portfolio. During 2014 the trustees defined and approved a "Statement of Investment Policy" for the guidance of the investment. The Statement of Investment Policy has been periodically reviewed and updated by the trustees since 2014. The trustees have designated funds which are invested on the stock market to produce an annual income stream for the purpose of meeting grant payments and, in a favourable economic climate, by means of capital growth in the longer term, to ensure that the Trust can continue to operate for the foreseeable future.

Risk review

The trustees consider that the principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making. The investment risk is mitigated by the use of expert investment managers, having a diversified portfolio and benchmarking to monitor performance.

The operational risk is reduced by the close involvement of the trustees in reviewing grant applications using their expertise in the relevant fields to make sound judgements.

Structure, governance and management

The governing instrument is the Trust Deed dated 22nd January 1990. The Trust is an unincorporated registered charity number 803441.

In accordance with the Trust Deed there must be at least three trustees. The trustees may at their discretion make rules governing the appointment, retirement or removal of trustees.

The trustees have developed a policy of recruiting their number from diverse horticultural organisations and backgrounds. Their objective is to ensure that collectively they have the wide range of skills and experience necessary to contribute to the management and development of the Trust. To fulfill their aim to represent a wide geographical spread of organisations and individuals and encourage regular replacement of trustees, potential candidates are nominated by existing trustees and their appointment is discussed to confirm universal approval.

The day to day running of the Trust is delegated to the Secretary. The trustees review all grant applications in detail with decisions of amounts to be paid to successful applicants being taken jointly. The trustees meet regularly to discuss and review Trust business.

THE MERLIN TRUST

TRUSTEES' REPORT (CONTINUED) *FOR THE YEAR ENDED 5 APRIL 2022*

The trustees' report was approved by the Board of Trustees.

Sally Petitt

Chair

Dated: 3 October 2022

THE MERLIN TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MERLIN TRUST

I report to the trustees on my examination of the financial statements of The Merlin Trust (the Trust) for the year ended 5 April 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 Trust as required by section 130 of the 2011 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 financial statements to be reached.

Paul Tyler FCA
Institute of Chartered Accountants in England and Wales
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL
United Kingdom

Dated: 6 October 2022

THE MERLIN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	9,236	4,399
Other trading activities	4	541	336
Investments	5	18,312	18,110
Other income	6	-	15,273
Total income		<u>28,089</u>	<u>38,118</u>
<u>Expenditure on:</u>			
Raising funds	7	<u>8,236</u>	<u>7,113</u>
<u>Charitable activities</u>			
Grant making	8	<u>8,190</u>	<u>6,097</u>
Total charitable expenditure		<u>8,190</u>	<u>6,097</u>
Total resources expended		<u>16,426</u>	<u>13,210</u>
Net gains/(losses) on investments	12	<u>39,915</u>	<u>169,510</u>
Net movement in funds		51,578	194,418
Fund balances at 6 April 2021		<u>857,379</u>	<u>662,961</u>
Fund balances at 5 April 2022		<u><u>908,957</u></u>	<u><u>857,379</u></u>

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

All income and expenditure derive from continuing activities.

THE MERLIN TRUST

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		1		1
Investments	14		876,179		804,179
			<u>876,180</u>		<u>804,180</u>
Current assets					
Debtors	16	1,488		1,541	
Cash at bank and in hand		43,649		62,950	
		<u>45,137</u>		<u>64,491</u>	
Creditors: amounts falling due within one year	17	(12,360)		(11,292)	
Net current assets			<u>32,777</u>		<u>53,199</u>
Total assets less current liabilities			<u>908,957</u>		<u>857,379</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	879,869		803,852	
General unrestricted funds		29,088		53,527	
		<u>908,957</u>		<u>857,379</u>	
			<u>908,957</u>		<u>857,379</u>

The financial statements were approved by the Trustees on 3 October 2022

Jonathan Miller
Trustee

Sally Petitt
Trustee

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

The Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

1.1 Accounting convention

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 Practice.

The Trust constitutes a public benefit entity as defined by FRS102 and its financial statements present information about it as an individual undertaking.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. At the end of the reporting period, the most significant areas of uncertainty that affect the carrying value of fixed asset investments held by the Trust are the level of investment return and the performance of investment markets.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charitable objectives of the Trust.

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

1.4 Income

All incoming resources are recognised when the charity is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Donations are recognised when the trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

For legacies, recognition is on a case by case basis but generally is the earlier of the charity being notified of an impending distribution or the legacy being received.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Costs of charitable activities include grants made, governance costs and support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the trust. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers and similar equipment	33.33% of cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price and are subsequently measured at fair value at each reporting date using the closing quoted market price. Changes in fair value are recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	9,236	4,399
	<u>9,236</u>	<u>4,399</u>
Donations and gifts		
Peter Wilson	2,200	1,000
Tim Brotzman	780	2,578
The Heather Society	746	821
The Saxifrage Society	5,500	-
Other	10	-
	<u>9,236</u>	<u>4,399</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from royalties	541	336
	<u>541</u>	<u>336</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	18,306	18,101
Interest receivable	6	9
	<u>18,312</u>	<u>18,110</u>

Income from investments includes dividends received of £15,281 (2021: £15,386) and interest received of £3,025 (2021: £2,715).

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

6 Other income

Grant awards cancelled in the year ended 5 April 2021 totalled £15,273.

The trustees decided to cancel certain grant awards made in the previous year, for travel in 2020, after it became clear that the continuing impact of the Covid-19 pandemic meant that travel would not be possible for the foreseeable future. The incoming resources represent the return of travel grants paid by the Trust in the year ended 5th April 2020 and the cancellation of unpaid grant commitments.

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Investment management	8,236	7,113
	<u>8,236</u>	<u>7,113</u>

8 Charitable activities

	Grant making 2022 £	Grant making 2021 £
Grant funding of activities (see note 9)	2,266	-
Share of support costs (see note 10)	3,362	3,373
Share of governance costs (see note 10)	2,562	2,724
	<u>8,190</u>	<u>6,097</u>

9 Grants payable

	Grant making 2022 £	Grant making 2021 £
Grants to individuals (3 grants)	2,266	-
	<u>2,266</u>	<u>-</u>

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

9 Grants payable

(Continued)

Details of the 2022 grant awards, including the travel destination, are set out below:

Caroline Pheasey	Tresco Abbey Gardens, Isles of Scilly	£426
Tracey Fahey	South Devon	£590
Aaron Marshall	The McGregor Saxifrage Study Award	£1,250
-		

10 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Secretarial support	3,000	-	3,000	3,000	-	3,000
Publicity and website costs	86	-	86	187	-	187
Stationery, postage, software, travel and other costs	276	-	276	186	-	186
Independent examiner's remuneration	-	2,562	2,562	-	2,724	2,724
	<u>3,362</u>	<u>2,562</u>	<u>5,924</u>	<u>3,373</u>	<u>2,724</u>	<u>6,097</u>
Analysed between						
Charitable activities	<u>3,362</u>	<u>2,562</u>	<u>5,924</u>	<u>3,373</u>	<u>2,724</u>	<u>6,097</u>

Independent examiner's remuneration comprises a fee for the independent examination of £402 (2021: £384) and a fee for accountancy services of £2,160 (2021: £2,340). The total support costs in the year and in the previous year were attributable to grant making activities.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year or the previous year. No expenses were paid or reimbursed to trustees during the year or the previous year.

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	36,871	146,117
Gain/(loss) on sale of investments	3,044	23,393
	<u>39,915</u>	<u>169,510</u>

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

13 Tangible fixed assets

	Computers and similar equipment £
Cost	
At 6 April 2021	1,282
At 5 April 2022	1,282
Depreciation and impairment	
At 6 April 2021	1,281
At 5 April 2022	1,281
Carrying amount	
At 5 April 2022	1
At 5 April 2021	1

14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2021	782,721	21,458	804,179
Additions	67,018	3,618	70,636
Valuation changes	36,871	-	36,871
Disposals	(35,507)	-	(35,507)
At 5 April 2022	851,103	25,076	876,179
Carrying amount			
At 05 April 2022	851,103	25,076	876,179
At 05 April 2021	782,721	21,458	804,179

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

14 Fixed asset investments

(Continued)

All investments are carried at their fair value. The charity invests in UK equities and professionally managed collective investment funds, which in turn invest in UK and international equities and corporate and government bonds. Equity investments and investments within the funds are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the price at which shares and units in funds were bought and sold at the 5th April 2022. All investment assets are held within the UK.

The significance of fixed asset investments to the ongoing financial sustainability of the Trust is considered in the financial review section of the Report of the Trustees.

The main risk to the Trust from its fixed asset investments lies in the combination of uncertain investment markets and volatility in yield. The Trust is in part reliant on dividend yield to finance its work and its collective investment funds include significant holdings in international companies and bonds denominated in US Dollars and other foreign currencies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low. The Trust's investments are traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for diversification of holdings that are quoted on a recognised stock exchange. The Trust does not make significant investments in derivatives and similar complex financial instruments.

15 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	851,103	782,721
	=====	=====
16 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	1,488	1,541
	=====	=====
17 Creditors: amounts falling due within one year	2022	2021
	£	£
Accruals and deferred income	12,360	11,292
	=====	=====

Accruals include £7,750 (2021: £7,000) in respect of obligations to pay grants and prizes.

THE MERLIN TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

18 Designated funds

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the trustees for a specific purpose:

	Balance at 6 April 2020		Movement in funds			Movement in funds			Balance at 5 April 2022				
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 6 April 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£	£
Fund for investment	641,492	18,095	18,095	(7,113)	(18,132)	169,510	803,852	18,306	(8,236)	21,782	39,915	875,619	
The McGregor Saxifrage Study Award	-	-	-	-	-	-	-	-	(1,250)	5,500	-	4,250	
	641,492	18,095	18,095	(7,113)	(18,132)	169,510	803,852	18,306	(9,486)	27,282	39,915	879,869	

The designated fund for investment is of a capital nature to produce an annual income stream for the purpose of meeting grant payments and, by means of capital growth (in the long term) to ensure that the Trust can continue to operate for the foreseeable future. The amount designated represents the value of fixed asset investments and accrued investment income less accrued investment management costs at the year end.

The transfer represents the amount transferred from or released to unrestricted funds at the year end.

A donation received from The Saxifrage Society has been used to establish The McGregor Saxifrage Study Award. Funding will be provided to enable an alpine enthusiast under 35, or within the first five years of a horticultural career, to spend two weeks at Waterperry Gardens.

The transfer represents the amount transferred from unrestricted funds in the year.

THE MERLIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 5 April 2022 are represented by:						
Tangible assets	1	-	1	1	-	1
Investments	-	876,179	876,179	-	804,179	804,179
Current assets/ (liabilities)	29,087	3,690	32,777	53,526	(327)	53,199
	<u>29,088</u>	<u>879,869</u>	<u>908,957</u>	<u>53,527</u>	<u>803,852</u>	<u>857,379</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).